



2022

Management Discussion & Analysis
2Q/22



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Executive Summary

OR is committed to elevating our business to grow together with society and the environment, to help uplift potential and move towards success together, in accordance with our vision of “**Empowering All Toward Inclusive Growth.**” In 1H/22, oil prices in the global market increased, including the prices of consumer goods that have continued to rise, widely affecting people's cost of living. OR, as a Thai oil retailer brand, has delayed adjustment of retail oil prices at PTT Stations during the rising global oil prices as well as create energy security by having sufficient oil reserves to ensure no shortages occur, along with fulfilling happiness during the Songkran Festival by not increasing oil prices between 9-18 April, a total of 10 days. **OR is ready to be beside the Thai people at every moment, so that we can navigate through this crisis together.**

OR is committed to elevating the business to grow together with society and the environment: To fulfill the potential and move towards success together. OR continued to push forward with “**activities to create smiles for Thai farmers**” by buying produce from those who faced problems supplying agricultural products to the domestic and oversea markets due to the COVID-19 situation . For instance: In April 2022, OR purchased 3 types of tubers—garlic, shallots, and onions—totaling 13,707 kilograms; in May 2022, OR purchased Fancy mangoes and Phu Lae pineapples, with a combined total amount of 300,000 kilograms from farmers in the Northern region; in June 2022, OR purchased 100,000 kg of mangosteens and smooth cayenne pineapples. OR distributed those agricultural produce as complementary giveaways to our PTT Stations' customers. Moreover, OR dedicated an area in PTT Stations as a marketplace for farmers to sell their produce free of charge. This aligns with **OR's business strategy to grow together with the community, increase equitable income distribution, and improve the community's quality of life along with OR's business operations.**

Financial Highlights

Unit : Million baht	2Q/21	1Q/22	2Q/22	Variance		1H/21	1H/22	Variance YoY
				QoQ	YoY			
Total sales and services	118,708	177,291	211,431	19.3%	78.1%	237,168	388,722	63.9%
EBITDA	5,458	6,467	10,240	58.3%	87.6%	11,867	16,707	40.8%
Net Profit (Loss) for the periods*	3,225	3,845	6,568	70.8%	>100%	7,228	10,413	44.1%
Earnings Per Share (Baht/share)	0.27	0.32	0.55	71.9%	>100%	0.64	0.87	35.9%

* Net profit of OR (the parent company)

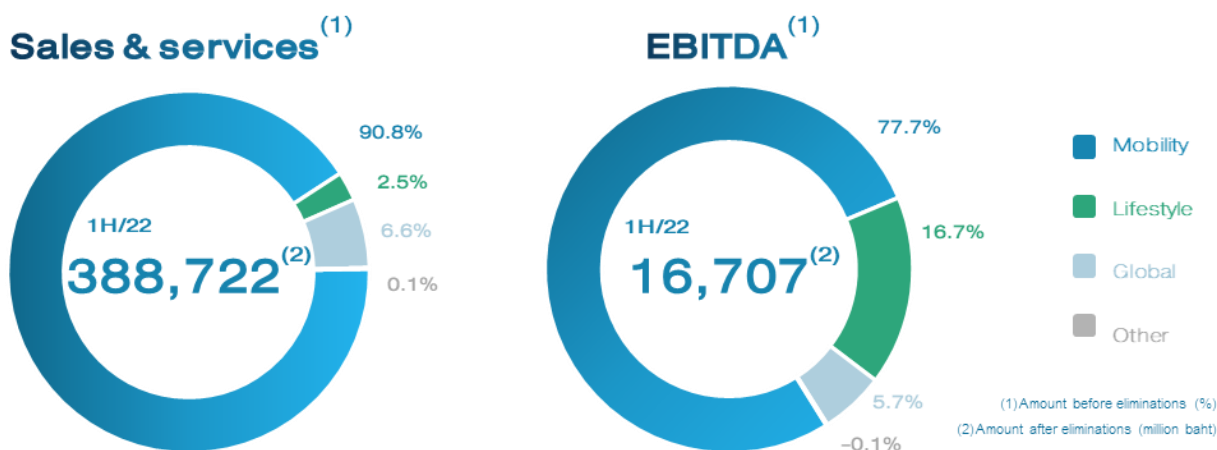
Performance 2Q/22

PTT Oil and Retail Business Public Company Limited and its subsidiaries (“OR”) recorded total sales and services in the amount of THB 211,431 million, an increase of THB 34,140 million from the last quarter, mainly due to the rise in average global oil prices following higher demand induced by recovery of economic activities caused by easing measures to control the spread of COVID-19 in many countries, including Thailand. Meanwhile, the supply is still tight due to the sanctions on Russia. All of the mentioned factors resulted in **higher sales revenue for all business segments: Mobility business and Global business** recorded an increase in the overall oil sales volume by 2.0% and 2.4%, respectively, leading to an increase in revenue. For the **Lifestyle business**, sales and services revenue increased from the previous quarter due to the higher demand from the economic recovery, the relaxation of COVID-19 measures and the Thai holiday season.



We recorded an **EBITDA** of THB 10,240 million in 2Q/22, an increase of THB 3,773 million compared to 1Q/22, increasing in all business segments. The EBITDA of our **Mobility business** grew from an increase in gross profit, mainly due to increased sales volume from the aviation fuel in the commercial market and diesel from the retail market recovered from reduced pressure in the market. The EBITDA of our **Lifestyle business** improved from the Other Non-Oil business. **Global business** increased in line with higher gross margins in the Philippines and Cambodia. Aggregate net operating expenses increased, including slightly higher depreciation, in line with our network expansion for both Mobility and Lifestyle business segments. In addition, this quarter, we recorded higher gains on the foreign exchange due to the weaker Thai baht against the U.S. dollar. **OR recorded a net profit of THB 6,568 million**, an increase of THB 2,723 million, leading to an earnings per share of 0.55 baht.

Performance 1H/22 OR recorded a net profit of THB 10,413 million, an increase of THB 3,185 million from the first half of last year, mainly due to the increase in both total sales and services and EBITDA by THB 151,554 million and THB 4,840 million, respectively, as a result of the economic recovery from COVID-19 where the government applied more easing measures, thus improving the overall performance in all business segments. Sales volume increased in all business segments; however, in 1H/22, net operating expenses increased by 13.2%, mainly from variable expenses, in line with the increase in sales from resumption of economic activities.



Our financial position as of June 30, 2022, recorded **total assets** of THB 229,552 million, an increase of THB 21,893 million from 2021, mainly from trade accounts receivable, other receivables, which varied according to higher global oil prices. OR recorded **total liabilities** of THB 121,314 million, an increase of THB 13,527 million, mainly from account payables. **Shareholders' equity** remained at THB 108,239 million, an increase of THB 8,366 million primarily from net profit during the period.



Important Events during 2Q/22

Invested in **K-NEX Corporation Company Limited**, a distributor of industrial washing machines and dryers. including operating laundromats under the brand Otteri wash & dry in the amount of not more than THB 1,105 million at 40% stake. The objective was to expand into new businesses, increase variety of products and services for consumers, meet the needs of 'All Lifestyles', as well as create opportunities for mutual growth both domestic and abroad.

Joined force with **Boon Rawd Trading Co., Ltd. (Boonrawd)**, to establish a joint venture company where OR holds 50% and Boon Rawd holds 50% of the registered capital, in the amount not exceeding THB 210 million, with the objective of producing and distributing ready-to-drink beverages, increasing the variety of products and distribution channels, leading to mutual business growth. This is in line with OR's business practice with a focus on outside-in growth by seeking investment opportunities in new markets.

Invested in **Polar Bear Mission Company Limited ("freshket")** by acquiring newly issued preferred shares in the amount of not exceeding USD 14.5 million. "freshket" is a food supply chain service provider which imports and distributes good quality ingredients to restaurant, hotels and consumers by applying technology to manage the food supply chain for efficiency and transparency. This investment is aimed at strengthening OR's retail business and its affiliates to meet the changing needs of consumers as well as create opportunities for mutual growth through the concept of inclusive growth both domestically and internationally.

Collaborated with **LINE MAN**, expanded LINE MAN Kitchen ready-to-go, which is open for service in 2 PTT Stations, namely Kaset Nawamin branch and outbound development branch launched in 2021, and now expanded to 2 more branches in the outskirts of Bangkok, namely Kanchanaphisek-Taling Chan branch and Minburi branch to increase convenience for suburban customers and to help create a full range of lifestyle choices to meet all lifestyles' needs for consumers.

Received **THAILAND TOP AWARDS 2022** in the Wholesale & Retail category by BUSINESS+ magazine and the University of the Thai Chamber of Commerce under the theme "Next Normal Transformation for Business Sustainability."

Received **Thailand's Most Admired Brand & Why We Buy 2022 award** as the most reliable service station and engine lubricant product, holding the hearts of consumers for the 19th and 13th consecutive years, respectively. PTT Station also received a special award called the Market Leader Brand, acknowledged for having highest market share in the industry, and PTT Lubricants received the Innovation Brand Award, recognized as a brand with consistent contribution of innovation to the market.

Economic Overview 2Q/22

The Thai economy has improved from the previous quarter. Consumption increased together with exports, in line with the improvement in trading partners' demand which is expected to grow by 14.4% compared to the same period last year. The foreign tourists figure also increased after the relaxation of international travel restrictions at around 1.5 million and expecting 6 million visitors within 2022. Consumption and spending slowed due to rising living costs as headline inflation increased considerably from rising energy and food ingredients prices as well as core inflation, which increased from the prepared food prices. Labor market recovered but remained vulnerable. The Thai baht against the US dollar continued to depreciate, dipped to the weakest level in years 36.95 THB/USD, resulted from aggressive monetary policy by the Federal Reserve (Fed). Although Thailand's economy remains on a path to recovery, soaring product prices resulted from higher cost, the new outbreaks and Zero-COVID Policy in China could pressure Thai economy.

The World economy recovered at a slower pace since manufacturing activities decelerated slightly due to supply risks from the tension between Russia and Ukraine, which intensified supply bottlenecks and inflation, affecting global economic recovery. **The US economy** shrank at 0.9% after a 1.6% decline in the first quarter. Meanwhile, Fed raised the interest rate by 0.75%, but the unemployment rate remained stable. The contraction resulted from 1) the weaker exports as global economic slowdown and as dollar appreciates, and from 2) the decrease in government spending and larger declines in private investment. **China's economy** expanded only 0.4%(YoY), which led to a growth for the first half of the year at 2.5% (YoY) due to the higher number of COVID-19 cases during March-April 2022 that resulted in lockdowns in key cities such as Shanghai and Beijing. As a result, economic activities slowed down both in the manufacturing and transportation sectors.



Performance Results: OR and subsidiaries

Unit : Million Baht	2Q/21	1Q/22	2Q/22	Variance		1H/21	1H/22	Variance
				QoQ	YOY			YoY
Total sales and services	118,708	177,291	211,431	19.3%	78.1%	237,168	388,722	63.9%
: Mobility	109,587	165,585	197,202	19.1%	80.0%	219,680	362,787	65.1%
: Lifestyle	4,061	4,767	5,293	11.0%	30.3%	8,147	10,060	23.5%
: Global	6,669	11,230	14,950	33.1%	>100%	13,125	26,180	99.5%
: Other	253	260	265	1.9%	4.7%	499	525	5.2%
Gross Profit	9,086	10,598	14,403	35.9%	58.5%	19,194	25,001	30.3%
: Mobility	6,792	7,669	11,047	44.0%	62.6%	14,535	18,716	28.8%
: Lifestyle	2,254	2,635	2,877	9.2%	27.6%	4,482	5,512	23.0%
: Global	311	617	732	18.6%	>100%	711	1,349	89.7%
: Other	3	4	5	25.0%	66.7%	8	9	12.5%
Other income	735	847	841	(0.7%)	14.4%	1,533	1,688	10.1%
Operating expenses	4,363	4,978	5,004	0.5%	14.7%	8,860	9,982	12.7%
EBITDA	5,458	6,467	10,240	58.3%	87.6%	11,867	16,707	40.8%
: Mobility	4,168	4,763	8,257	73.4%	98.1%	9,323	13,020	39.7%
: Lifestyle	1,109	1,350	1,452	7.6%	30.9%	2,173	2,802	28.9%
: Global	183	430	517	20.2%	>100%	390	947	>100%
: Other	(4)	(24)	6	>100%	>100%	(14)	(18)	(28.6%)
Depreciation and amortization expenses	1,500	1,547	1,599	3.4%	6.6%	2,919	3,146	7.8%
Operating profit	3,958	4,920	8,641	75.6%	>100%	8,948	13,561	51.6%
: Mobility	3,255	3,825	7,289	90.6%	>100%	7,548	11,114	47.2%
: Lifestyle	676	896	978	9.2%	44.7%	1,325	1,874	41.4%
: Global	30	275	360	30.9%	>100%	94	635	>100%
: Other	(4)	(24)	6	>100%	>100%	(14)	(18)	(28.6%)
Share of profit (loss) from investments in joint ventures and associates	81	139	121	(12.9%)	49.4%	207	260	25.6%
Gain (loss) on derivatives	(51)	(133)	(192)	(44.4%)	<(100%)	(70)	(325)	<(100%)
Gain (loss) on exchange rate	203	81	491	>100%	>100%	394	572	45.2%
Others	168	55	(8)	<(100%)	<(100%)	163	47	(71.2%)
EBIT	4,359	5,062	9,053	78.8%	>100%	9,642	14,115	46.4%
Finance costs	325	271	254	(6.3%)	(21.8%)	660	525	(20.5%)
Tax expenses (income)	812	943	2,232	>100%	>100%	1,758	3,175	80.6%
Net Profit (Loss) for the periods*	3,225	3,845	6,568	70.8%	>100%	7,228	10,413	44.1%
Earnings Per Share (Baht/share)	0.27	0.32	0.55	71.9%	>100%	0.64	0.87	35.9%

* Net profit of OR (the parent company)



Performance by Business Segment



The Situation of Oil Prices

A report from the International Energy Agency (IEA) retrieved in July 2022 showed **expected global oil demand for 2022** at 99.2 million barrels per day (MMBD), an increase of 1.7 MMBD compared to 2021, lower than the earlier forecast in April 2022 0.2 MMBD, which resulted from a recovery in China and the demand from power generation sector. On the other hand, there was also a pressure factor of rising oil prices.

Unit : USD/Barrel	2Q/21	1Q/22	2Q/22	Variance		1H/21	1H/22	Variance
				QoQ	YoY			YoY
Dubai	66.9	95.6	108.1	13.1%	61.5%	63.5	101.9	60.5%
Gasoline	76.8	113.3	143.0	26.2%	86.1%	72.0	128.2	78.1%
Gasoil/Diesel	72.2	115.1	151.2	31.4%	>100%	68.4	133.2	94.7%
Kerosene	71.5	111.8	147.2	31.7%	>100%	67.4	129.5	92.1%

Crude oil prices in 2Q/22 The average Dubai crude oil price was US\$108.1 per barrel, a rise 1Q/22 at US\$95.6 per barrel and 2Q/21 at US\$66.9 per barrel. This resulted from (1) a recovery of economic activities in many countries; (2) OPEC+ crude oil production was less than plan by more than 2.5 MMBD because of political unrest, maintenance in some countries and effect of the conflict between Russia and Ukraine; (3) European countries agreed to sanction crude oil imports by year end. Therefore, it was expected that the total global oil supply would be insufficient to meet global oil demand. Nonetheless, negative factors to oil prices came from China's lockdown from their Zero-COVID policy, and from high inflation in many countries, negatively impacting global oil consumption.

Petroleum products prices in 2Q/22 Gasoline price averaged at US\$143.0 per barrel, rose from 1Q/22 at US\$ 113.3 per barrel, increasing more than Dubai price. This was from the demand during the Ramadan festival that continuously push gasoline sales in India, and from the higher imports of gasoline in Indonesia. Moreover, the driving season in the U.S. and Europe also led to an increase in demand.



However, the significant rise in oil prices caused contributed to edging gasoline prices higher as well. **Gasoil/Diesel price** in 2Q/22 averaged US\$151.2 per barrel, improved from 1Q/22 at US\$115.1 per barrel, which significantly increased over Dubai price. The positive factors were the increasing demand from easing lockdown restrictions and infrastructure expansion in China. Moreover, higher demand came from the Western region from curbing diesel imports from Russia. In addition, the announcement of sanctions on diesel imports from Russia affected t the global diesel supply and caused diesel inventories in many regions to remain low. Meanwhile, pressuring factors for diesel fuel attributable to the rising crack spread of diesel and crude oil coupled with the end of the refinery maintenance season, which meant refiners continued to increase diesel production capacity. **Jet/ Kerosene price** in 2Q/ 22 averaged US\$147.2 per barrel, improved from 1Q/22 at US\$111.8 per barrel, an improvement higher than the Dubai price. Kerosene demand came from a continuous increase in international flights, especially international flights between European regions and from the recovery of domestic flights in India and China. However, certain negative factors include the slowdown in the air cargo sector since April 2022 due to the lockdown in China and the problematic inflation in various countries.

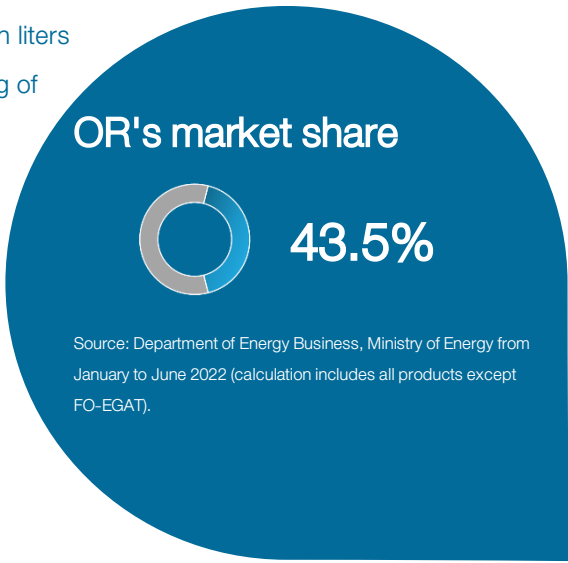
Fuel consumption in Thailand The Department of Energy Business reported that Thailand's daily consumption was at 152.14 million liters per day, rose by 12.4% in the first six-months of 2022 compared to the same period last year. Aviation fuel rose by 62.4%, followed by diesel 15.8%, LPG 8.6% and fuel oil 20.1%. However, gasoline consumption decreased by 0.1% and kerosene decreased by 0.2%.

Diesel consumption averaged 75.10 million liters per day, rising from the same period last year of 15.8% due to the government's policy to stabilize diesel prices at 30 - 35 baht per liter until September 2022. For high-speed diesel fuel B7, the significant increase to 65.80 million liters per day (+72.6%) was a result of the government's policy that adjusted the production formula to help maintain the price of high-speed diesel fuel B7 at the same level as the high-speed diesel and the B20 diesel. Thus, the consumption of high-speed diesel decreased to 3.03 million liters per day and B20 diesel fuel consumption decreased to 0.20 million liters per day.

Gasoline consumption averaged 29.70 million liters per day, which decreased by 0.1% from the same period last year as the price remained high. Gasohol consumption dropped the most by 20.4%, while gasohol 95 and gasohol E85 consumption rose to 15.52 million liters per day (+2.5%) and 0.98 million liters per day (+30.6%), respectively.

Commercial aviation fuel (Jet A-1) consumption averaged 7.44 million liters per day, an increase from the same period last year +62.4% due to the lifting of most travel restrictions.

Liquefied petroleum gas (LPG) consumption averaged 16.54 million kg per day increased by 8.6% from the same period last year. The transportation sector rose to 2.09 million kg per day (+18.9%), the petrochemical sector increased to 8.05 million kg per day (+10.7%), the industrial sector rose to 2.04 million kg per day (+10.0%) and the household sector increased to 5.77 million kg per day (+2.1%).



Performance of Mobility Business Segment

Description	2Q/21	1Q/22	2Q/22	Variance		1H/21	1H/22	Variance
				QoQ	YOY			YoY
Number of Station								
PTT Station*	2,027	2,088	2,103	15	76	2,027	2,103	76
EV Station PluZ**	31	102	112	10	81	31	112	81
LPG station***	214	229	234	5	20	214	234	20
Volume Sold (MML)								
Retail	2,870	3,317	3,395	2.4%	18.3%	5,991	6,712	12.0%
Commercial	2,672	3,407	3,464	1.7%	29.7%	5,461	6,871	25.8%
Total Volume Sold	5,542	6,724	6,859	2.0%	23.8%	11,452	13,583	18.6%
Volume Sold by Product (%)								
LPG	14.9%	13.6%	12.9%	-	-	14.7%	13.3%	-
Aviation fuel	5.4%	7.0%	8.3%	-	-	5.0%	7.6%	-
Diesel	46.8%	47.7%	45.6%	-	-	47.0%	46.7%	-
Fuel oil	6.5%	8.0%	9.5%	-	-	6.4%	8.7%	-
Gasoline	23.7%	21.3%	21.4%	-	-	24.2%	21.3%	-
Lubricant	0.8%	0.8%	0.7%	-	-	0.8%	0.7%	-
Others	1.9%	1.6%	1.6%	-	-	1.9%	1.7%	-
Total Volume Sold by Product	100.0%	100.0%	100.0%	-	-	100.0%	100.0%	-
Gross Profit: Baht/Litre	1.23	1.14	1.61	-	-	1.27	1.38	-
Mobility EBITDA Margin (%)	3.8%	2.9%	4.2%	-	-	4.2%	3.6%	-

*Includes ptt station in Thailand and Myanmar **Station in operation

***LPG Station located in ptt station is not included

Performance 2Q/22 vs. 1Q/22

- Revenue from sales and services increased by THB 31,617 million (+19.1%)**, mainly from the increase in the global oil prices coupled with sales volume that also increased 135 mml (+2.0%), due to the relaxation of COVID-19 control measures. For the **commercial market**, sales volume increased 57 mml (+1.7%), mainly from aviation fuel, where the number of air travels increased because of the full reopening of the country to foreign visitors from the cancellation of the Test & Go. Fuel oil also increased from higher bunker sales, while diesel dropped from sales to power plants as power plants gradually switch back to using natural gas instead of oil due to the decline in natural gas prices in this quarter. On the **retail market** side, sales volume rose by 78 mml (+2.4%) from both diesel and gasoline, resulted from an increase in travels and economic activities together with higher demand of passenger cars. Moreover diesel's selling price was lower than that of other brands, due to slower retail price adjustments at the PTT Stations to help alleviate burden on the Thai people.
- Gross Profit increased by THB 3,378 million (+44.0%)**, as a result of 0.47 baht per liter increase in average gross profit per liter and higher sales volume. For the **commercial market**, the average gross profit per liter rose in aviation fuel from a positive effect of the M-1 selling price structure, where the reference price movement was in a narrower range compared to the previous quarter. In addition, diesel had higher average gross profit per liter due to effective cost and selling price management during the increasing trend of oil prices. For the **retail market**, overall average gross profit per liter in diesel increased from lower pressure in the market, while gasoline's average gross profit per liter decreased.



- **EBITDA rose by THB 3,494 million (+73.4%)**, from higher gross profit and lower net operating expenses compared to the previous quarter, mainly from the terminal service rate that decreased because of the upward adjustment in usage plan. As a result, the EBITDA margin was recorded at 4.2%, higher than the last quarter of 2.9%.

Performance 2Q/22 vs. 2Q/21

- **Revenue from sales and services rose by THB 87,615 million (+80.0%)** due to a sharp increase in average selling prices following an uptrend of global oil prices compared to 2Q/21 and the sales volume in all products rose by 1,317 mml (+23.8%). For the **commercial market**, sales volume increased 792 mml (+29.7%) from higher bunker sales. Also, aviation fuel increased from increased air travel owing to the relaxation of international travel restrictions. In addition, there was higher demand from power plants that switched to alternative fuels, namely diesel and fuel oil, due to increase in natural gas prices. On the **retail market** side, sales volume rose by 525 mml (+18.3%) from diesel and gasoline because during 2Q/21, the government tightened COVID-19 control measures to control the new wave of COVID-19, Delta variant, in Bangkok and nearby provinces, while the COVID-19 control measures during 2Q/22 were more relaxed and the country was gradually reopening. In addition, OR's diesel selling price at the PTT Stations was lower than that of other brands during this period this year.
- **Gross profit increased by THB 4,255 million (+62.6%)** from the increase in average gross profit per liter by 0.38 baht/liter together with an increase in sales volume. The increase was primarily from the **commercial market**, particularly from higher average gross profit per liter of both diesel and fuel oil. Also, aviation fuel's volume increased due to the recovery of air travel. For the **retail market**, diesel's average gross profit per liter slightly increased with the higher sales volume, while the average gross profit per liter in gasoline decreased.
- **EBITDA rose by THB 4,089 million (+98.1%)** from higher gross profit and higher net operating expenses, mainly from the expenses that vary with sales volume such as outsource hiring cost, aviation refueling expense and transportation cost. EBITDA margin was at 4.2% in 2Q/22, rose from 3.8% in 2Q/21.

Performance 1H/22 vs. 1H/21

- **Revenue from sales and services rose by THB 143,107 million (+65.1%)**, mainly from the increase in average selling prices following an uptrend of global oil prices and from the overall increase in sales volume by 2,131 mml (+18.6%) due to the relaxation of COVID-19 control measures and increased economic activities. For the **commercial market**, sales volume increased 1,410 mml (+25.8%) from aviation fuel due to increased air travel. Furthermore, fuel oil and diesel also increased from power plants due to a surge in natural gas prices. On the **retail market** side, sales volume rose by 721 mml (+12.0%) from diesel and gasoline as the government loosened the COVID-19 control measures, so demand increased from the resumption of economic activities. In addition, the company also expanded 76 new PTT Stations.
- **Gross profit increased by THB 4,181 million (+28.8%)** from higher sales volume and average gross profit per liter was in a similar range compared to the same period last year. Gross profit for the **commercial market** increased mainly from diesel. Moreover, gross profit from fuel oil increased due to effective cost and selling price management during the increasing trend of oil prices. On the **retail market** side, the average gross profit per liter improved for diesel but curtailed for gasoline. The overall increase in gross profit was mainly from the increase in sales volume.
- **EBITDA increased by THB 3,697 million (+39.7%)** from higher gross profit, while the net operating expenses increased from the aviation refueling expense and transportation cost that increased following higher sales volume. EBITDA margin was recorded at 3.6% in 1H/22, a drop from 4.2% in 1H/21.



OR determines to continuously improve fuel quality to keep up with the changes in automotive technology and meet the needs of consumers who still use fuel. **SuperPower**, premium grade fuel offered for both gasohol and diesel, has been launched with a special additive called "**Super Booster**," an anti-friction substance, the latest innovation with the ability to clean the fuel injectors as new and provide the engine with full power.

Mobility Business aims to drive the widespread usage of electric power for travel and transportation in the country, in accordance with one of OR's missions, creating **Seamless Mobility**. As of 30 June 2022, OR had installed "**EV Station PluZ**" charging posts inside 99 service stations (with 98 in operations and 1 pending operation permit) and 17 installed outside service stations (with 14 in operations and 3 pending operation permit), covering areas nationwide. In addition, OR has signed an MOU with partners in various projects such as cooperation with Central Plaza Hotel, expanding EV Station PluZ network in 23 Centara Hotels & Resorts in 10 provinces and joining hands with Marriott International to expand EV Station PluZ network at 30 hotels and resorts across Thailand. Starting 1 August 2022 onwards, OR began collecting service fees at EV Station PluZ locations according to the period of use (Time of Use Rate: TOU) divided into 2 periods: On Peak 7.5 baht/ unit and Off Peak 4.5 baht/unit

As of 30 June 2022, **Fit Auto** has 78 outlets with the preparation to develop skills and knowledge of personnel in EV maintenance services to serve customers in the future. In addition, OR aims to reduce greenhouse gas emissions that negatively impact climate change by installing solar rooftops at PTT Stations to lower electricity cost. Also, this creates a new business for OR as well through servicing solar rooftop installations for industrial customers.





Expansion of Lifestyle Business

Description	2Q/21	1Q/22	2Q/22	Variance		1H/21	1H/22	Variance	
				QoQ	YoY			YoY	
Number of outlets									
Cafe Amazon *	3,452	3,685	3,728	43	276	3,452	3,728	276	
Texas Chicken	81	95	98	3	17	81	98	17	
Convenience Store**	2,018	2,081	2,092	11	74	2,018	2,092	74	
Cafe Amazon total cups sold* (Million cups)	70	83	91	9.6%	30.0%	143	174	21.7%	

*Includes Cafe Amazon in Thailand, Myanmar, Japan, Oman and Malaysia

**Includes both Jiffy and 7-Eleven convenience stores in Thailand

In 2Q/22, the Lifestyle business has a combined network of **3,973 F&B business outlets**, comprising 3,728 Cafe Amazon outlets in Thailand—classified as 2,097 outlets located in PTT Stations and 1,610 outlets outside of PTT Stations, or 56.6% and 43.4%, respectively—along with 21 Cafe Amazon outlets overseas, 98 Texas Chicken outlets, 147 outlets of other F&B comprising Hua Seng Hong Dim Sum, Pearly Tea and Pacamara Coffee Roasters and for **Other Non-Oil business** we recorded 2,092 convenience stores under the 7-Eleven and Jiffy brand in Thailand.

Cafe Amazon, under the F&B business, recorded 91 million cups sold in this quarter, an increase of 8 million cups (+9.6%) compared to 1Q/22, because of higher demand from the recovery of economic activities caused by easing measures to control the spread of COVID-19 and the holiday season, boosting traveling in Thailand. In 1H22, there was an increase of 31 million cups sold (+21.7%) compared to the first half of 2021.

OR has been closely monitoring inflation and our costs. We aimed to maintain our performance by managing supply chains and storing raw materials to manage costs more efficiently. In this quarter, OR began running a **Coffee Processing Plant for Cafe Amazon in Chiang Mai province**, which serves as a point of purchase of Arabica parchment coffee from farmers in the northern region that will then be processed and sent to the coffee roasting plant. It will also serve as a storage location for coffee beans with a capacity of approximately 1,500 tons, thus increasing OR's supply chain management efficiency. Moreover, it will be developed into a learning center to improve the quality and standard of cultivation and production of Arabica coffee for Thai farmers. Moreover, with the use of our **automated distribution center**, OR gained distribution efficiency and reduced product distribution costs for the food and beverage retail business. Our **bakery factory and dry-mixed powder plant** contributed to developing new products, improving product standards and optimizing costs. In this quarter, our non-beverage revenue accounted for 8.6%.



Performance of Lifestyle Business Segment

Description	2Q/21	1Q/22	2Q/22	Variance		1H/21	1H/22	Variance
				QoQ	YOY			YoY
Sales and Services								
Food & Beverage	2,612	3,158	3,479	10.2%	33.2%	5,318	6,637	24.8%
Other Non-Oil	1,449	1,609	1,814	12.7%	25.2%	2,829	3,423	21.0%
Total sales and services (Million Baht)	4,061	4,767	5,293	11.0%	30.3%	8,147	10,060	23.5%
Lifestyle EBITDA Margin (%)	27.3%	28.3%	27.4%	-	-	26.7%	27.9%	-

Performance 2Q/22 vs. 1Q/22

- **Revenue from sales and services increased by THB 526 million (+11.0%)** mainly due to an increase in sales volume compared to 1Q/22 that benefitted from the recovery of economic activities caused by easing COVID-19 control measures and from the holiday season in Thailand. Revenue from sales of **F&B business** increased by THB 321 million (+10.2%), and revenue from sales of **Other Non-Oil business** increased by THB 205 million (+12.7%), mainly from higher average sales per day per store.
- **Gross profit increased by THB 242 million (+9.2%)**, a change in line with sales and services for both the **F&B business** and **Other Non-Oil business**. However, the cost of raw materials in the food and beverage business slightly increased.
- **EBITDA increased by THB 102 million (+7.6%)**, a change in line with sales and services of Other Non-Oil business. However, there is also an increase in promotional expenses. EBITDA for the **Other Non-Oil business** increased by THB 105 million (+25.1%), but the **F&B business** decreased by THB 3 million (-0.3%), resulting in a decrease in EBITDA margin from 28.3% last quarter to 27.4% this quarter.

Performance 2Q/22 vs. 2Q/21

- **Revenue from sales and services increased by THB 1,232 million (+30.3%)** due to the recovery of economic activities from relaxed COVID-19 control measures relaxed and from higher vaccination rate. As a result, revenue from sales of **F&B business** increased by THB 867 million (+33.2%), mainly due to an increase in sales volume from the F&B business outlet expansion. Revenue from sales of **Other Non-Oil business** increased by THB 365 million (+25.2%) mainly from network expansion and higher average sales per day per store.
- **Gross profit increased by THB 623 million (+27.6%)**, a movement in line with the increase in revenue from sales and services from both the **F&B business** and the **Other Non-Oil business**. However, the cost of raw material in the food and beverage business slightly increased.
- **EBITDA increased by THB 343 million (+30.9%)** from higher gross profit. Thus, the EBITDA of the **F&B business** increased by THB 202 million (+27.8%) and the **Other Non-Oil business** increased by THB 141 million (+36.9%). The EBITDA margin in this quarter was recorded at the same level of the EBITDA margin in 2Q21 at 27.4%.



Performance 1H/22 vs. 1H/21

- **Revenue from sales and services increased by THB 1,913 million (+23.5%)** from the recovery of economic activities as measures to control COVID-19 relaxed and from higher vaccination rate. As a result, revenue from sales of **F&B business** increased by THB 1,319 million (+24.8%), mainly due to an increase in sales volume from F&B business outlet expansion. Revenue from sales of **Other Non-Oil business** increased by THB 594 million (+21.0%), mainly from higher average sales per day per store.
- **Gross profit increased by THB 1,030 million (+23.0%)**, a movement in line with the increase in revenue from sales and services from both the **F&B business** and the **Other Non-Oil business**.
- **EBITDA increased by THB 629 million (+28.9%)** from higher gross profit. Thus, the EBITDA of the **F&B business** increased by THB 423 million (+29.4%), and the **Other Non-Oil business** increased by THB 206 million (+28.0%). The EBITDA margin in the first half of this year was recorded at 27.9% increased from 26.7% in 1H/21.





Overview of Global Business

Cambodia, the International Monetary Fund (IMF) projected the economy to grow at 5.1% in 2022, supported by the easing of lockdowns and border reopening as well as fiscal stimulus measures. However, persisting supply chain issues such as higher input and shipping costs could also hinder exports, affecting economic growth. **Lao PDR**, the economy shows recovery signs with the IMF's expected to grow by 3.2% in 2022. Laos' economy has faced challenges due to a weak labor market, skyrocketing inflation and high debt from fiscal deficits, dwindling foreign reserves, and the depreciated local currency against the US Dollar and Thai Baht, increasing cost of imported goods, and declining purchasing power of the people. Laos, whose credit rating was downgraded by Moody's in June to junk rating 'Caa3', is now near default on its sovereign debt since it reached 88.0% of GDP, about half of which was debt from China for the use of infrastructure projects, such as the China-Laos railway project. **Myanmar**, the economy is expected to recover slightly at 1.6%. A resumption of manufacturing activities would support exports and employment, while Myanmar could benefit from stronger economic ties with China through Chinese infrastructure investment. Nonetheless, the outlook remains highly uncertain, with significant downside risks: 1) cash shortages, especially in foreign currencies, 2) risks of economic sanctions as the political situation is unlikely to be resolved, 3) domestic demand pressure from lower income and higher job lost, and 4) the COVID-19 pandemic along with low vaccination rate which could extend border closures and containment measures. **The Philippines**, the economy is poised to remain strong in the region. IMF is projected to grow at 6.5% in 2022, supported by the relaxation of travel restrictions, increasing the vaccination rate, higher investment and household consumption.



Performance of Global Business Segment

Description	2Q/21	1Q/22	2Q/22	Variance		1H/21	1H/22	Variance
				QoQ	YoY			YoY
Number of PTT Station	340	365	370	5	30	340	370	30
Oil Volume Sold (MML)								
Philippines	195	186	207	11.3%	6.2%	371	393	5.9%
Cambodia	76	119	108	(9.2%)	42.1%	175	227	29.7%
Laos	53	70	69	(1.4%)	30.2%	122	139	13.9%
Total Volume Sold	324	375	384	2.4%	18.5%	668	759	13.6%
Cafe Amazon*								
Cafe Amazon Outlets	277	317	323	6	46	277	323	46
Cafe Amazon total cups sold (Million cups)	3.4	5.1	6.1	19.6%	79.4%	8.1	11.2	38.3%
Global EBITDA Margin (%)	2.7%	3.8%	3.5%	-	-	3.0%	3.6%	-

*Includes number of outlets / cups sold in the Philippines, Cambodia, Laos, Singapore, Vietnam and China

Performance 2Q/22 vs. 1Q/22

- **Revenue from sales and services increased by THB 3,720 million (+33.1%)** an increase from **all three countries** predominantly due to higher average global oil prices. In terms of sales volume, **the Philippines** recorded an increase mainly from aviation fuel due to the reopening of borders and subsequent increase in international flights. **Laos** overall registered slightly softer sales volume attributable to a shortage of diesel prompted by limited foreign currency reserves for fuel importers. Sales volume for **Cambodia** decreased mainly from fuel oil from curtailed demand from power plants. For Cafe Amazon, **the Philippines** saw an increase in total cups sold primarily from increased promotions and holiday travels during the summer months. Similarly, **Cambodia** and **Laos** also benefited from increased economic activities.
- **Gross Profit increased THB 115 million (+18.6%)** primarily from **the Philippines** aviation fuel, where the average gross profit per liter for both aviation fuel and diesel came from more efficient inventory management. **Cambodia**'s higher gross profit came predominantly from substantially higher average gross profit per liter from diesel and aviation fuel. **Laos**' gross profit was curtailed due to significantly lower average gross profit per liter on petroleum products, mainly from the depreciation of Laotian Kip, bolstering the cost of petroleum products, thus squeezing margins despite price adjustments made at service stations.
- **EBITDA increased THB 87 million (+20.2%)** primarily from **the Philippines** and **Cambodia** from higher gross profits mentioned. In contrast, **Laos** underwent a significant drop in EBITDA, mainly from lower gross profit but with an EBITDA margin of 3.5% this quarter, similar to the previous quarter at 3.8%.

Performance 2Q/22 vs. 2Q/21

- **Revenue from sales and services increased by THB 8,281 million (+>100%)** from **all three countries**, from the notably higher average global oil prices and an overall higher sales volume. **Cambodia** gained sales volume, predominantly from gasoline and diesel as economic activities resumed with slightly higher aviation fuel, compared to last year's lockdown and strict protocols during 2Q/21. **The Philippines** also recorded an increase in sales volume attributable to significantly higher aviation fuel sales as international flights recovered, despite lower sales volume in diesel for not attaining the bid like in 2Q/21. **Laos** also showed an increase in sales volume predominantly from diesel in the retail market. As for **Cafe Amazon's business**, all three countries benefitted from the resumption of economic activities, thus boosting total sales volume.



- **Gross Profit increased THB 421 million (+>100%)** with significant contributions from The Philippines and Cambodia. **The Philippines** benefitted from considerably greater sales volume of aviation fuel and diesel's higher average gross profit per liter despite its lower sales volume this period. **Cambodia's** higher gross profit is mainly attributable to diesel, both from higher sales volume and higher average gross profit per liter, including higher average gross profit per liter from aviation fuel. **Laos'** gross profit improved, mainly from the ability to still adjust retail oil prices to reflect the cost of surging global oil prices in April of 2022.
- **EBITDA increased THB 334 million (+>100%)** mainly stemming from **the Philippines** and **Cambodia** from higher gross profits, despite higher operating expenses from employees going back to work on-site **Laos'** slightly positive EBITDA attributable to higher gross profit as stated previously. The EBITDA margin in this quarter is at 3.5%, up from 2.7% in the same period last year.

Performance 1H/22 vs. 1H/21

- **Revenue from sales and services increased by THB 13,055 million (+99.5%),** an increase reflected it **all three countries**, with the main reason attributable to higher average global oil prices and overall higher sales volume as economic activities grew. **Cambodia** recorded increases in all petroleum products, with significant sales volume improvement in gasoline and diesel, followed by aviation fuel as economic activities resumed and both ground and air travel increased compared 1H/21 with lockdown and travel restrictions extending from February well into the second quarter of last year. **The Philippines** registered a considerable increase in sales volume with a significant contribution from aviation fuel as international flights picked up, despite decreased diesel sales as from not attaining a bid, unlike in the same period last year. **Laos** also saw an increase in sales volumes in all petroleum products as economic activities recovered. Correspondingly, Cafe Amazon's business for **all three countries** benefitted from the revival of economic activities, increasing total sales volume compared to last year's period, especially in Cambodia and Laos.
- **Gross Profit increased THB 638 million (+89.7%),** a contribution from **all three countries**. **The Philippines** mainly from higher average gross profit per liter in gasoline and diesel, **Laos** mainly from a strong average gross profit per liter of petroleum products sold through service stations, since retail prices increased to reflect the cost of surging global oil prices, Lastly, **Cambodia** registered higher gross profit from both higher sales volume and higher average gross profit per in almost all petroleum products.
- **EBITDA increased THB 557 million (+>100%)** from a notable improvement in **The Philippines** and **Cambodia** with increased EBITDA from an overall higher average gross profit per liter. **Laos'** EBITDA also increased due to its ability to adjust retail oil prices to reflect the surging average global oil prices allowing average gross profit per liter of petroleum products sold at service to be considerably higher than the same period in 2021. In the first half of this year, EBITDA margin was recorded at 3.6%, rose from 3.0% compared to the same period last year.



OR INNOVATION



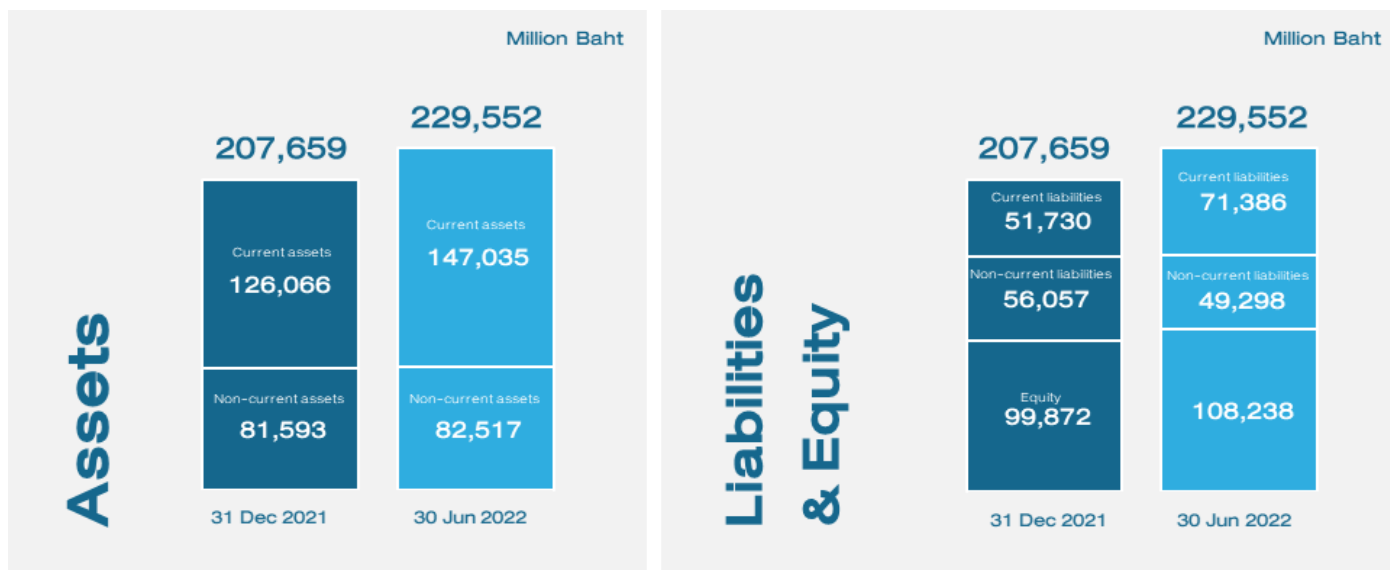
In 2Q/22 OR invested in **freshket**, a Thai agritech startup, is tech-enabled food supply chain platform providing various agricultural products and premium quality raw ingredients sourced from local farmers and suppliers to deliver directly to the customers, primarily restaurateurs and hoteliers but also household consumers. The growing potential of the restaurant and hotel industry in Thailand has encouraged OR to further invest in freshket after previously having invested indirectly via ORZON Ventures. This investment is envisioned to **strengthen OR's food & beverage business** by providing an alternative channel for OR's restaurant operators to conveniently purchase ingredients at reasonable prices through an efficient food supply chain digital platform.

This investment is aligned with OR's business expansion strategy that focuses on the **Outside-In Growth concept to complement OR ecosystem**, a concept that focuses on collaborating with newly acquired partners to create business. In this collaboration, OR will leverage its existing nationwide network of PTT Stations to serve as distribution points for freshket. Moreover, OR is prepared to drive freshket's business through OR's platform in the future to reach both B2B and B2C customers.

In addition, freshket's vision is to become a platform that supports farmers, facilitates job creation and ensures pricing transparency for all parties. Therefore, this investment reflects OR's commitment to thrive alongside the people and the planet, which is reflected through OR's new vision: **"Empowering All Toward Inclusive Growth"**.



Financial Position



Assets As of June 30, 2022, OR Group recorded total assets in the amount of THB 229,552 million, an increase of THB 21,893 million (+10.5%) from December 31, 2021, and can be categorized as follows:

Current assets increased by THB 20,976 million (+16.6%), mainly from:

- Trade accounts receivable and other accounts receivables increased by THB 38,944 million (+>100.0%), from other accounts receivable by THB 29,078 million (+>100.0%), mainly from accrued oil fund compensation. Also, trade receivables increased by THB 9,866 million (+48.8%) due to an increase in global oil prices, including a meager increase in sales volume
- Inventories and supplies increased by THB 12,605 million (+51.2%) due to higher average cost of petroleum products from the rise in global oil prices, mainly from diesel and gasoline, while volume in the inventory stock increased around 27 million liters or 3.1%
- Cash and cash equivalents decreased by THB 21,297 million (-46.1%), mainly from using in operating activities of THB 13,774 million and from the payment of long-term borrowing of THB 9,738 million
- Current investments decreased by THB 9,000 million (-44.9%) from matured short-term investments.

Non-current assets increased by THB 924 million (+1.1%), mainly from:

- Investment increased by THB 1,621 million (+16.5%), mainly from investment in Polar Bear Mission Co., Ltd (freshket) at THB 482 million, KAMU KAMU Co., Ltd (KAMU) at THB 464 million, Phnom Penh Aviation Fuel Service Co., Ltd at THB 169 million, Finnventure Private Equity Trust I at THB 150 million and SeaX Fund II L.P. at THB 50 million, along with the investment through ORZON Ventures at THB 148 million as well. The decrease in investment in Thai Petroleum Pipeline Company Limited (Thapline) was due to the dividend received of THB 419 million, while share of profit was recorded at THB 306 million
- Right-to-use assets and intangible assets decreased by THB 487 million (-3.2%) due to depreciation and amortization. Deferred tax assets also decreased by THB 360 million (-4.4%).

Liabilities As of June 30, 2022, OR Group recorded total liabilities in the amount of THB 121,314 million, an increase of THB 13,527 million (+12.5%) from December 31, 2021, from the following:

Current liabilities increased by THB 19,656 million (+38.0%), mainly from:



- Trade accounts payables and other accounts payables increased by THB 20,369 million (+46.3%) from significantly higher petroleum prices, where main creditors were refineries in the PTT group, which was offset by the payment to other accounts payables
- Long-term loans due within one year decreased by THB 1,019 million (-21.3%).

Non-current liabilities decreased by THB 6,129 million (-10.9%), mainly from:

- Long-term borrowings decreased by THB 8,715 million (-29.5%) from loan repayment
- Deferred tax liabilities increased by THB 2,356 million (+>100.0%) from accrued oil fund compensation and excise tax.

Equity As of June 30, 2022, OR Group recorded total equity in the amount of THB 108,238 million, an increase of THB 8,366 million (+8.4%) from December 31, 2021, primarily from net profit during the period, which was offset by the second half of 2021 performance dividend payment in the amount of THB 2,280 million or THB 0.19 per share.

Cash Flow Statement ended June 30, 2022

	Million Baht
Net cash provided (used in) by operating activities	(13,774)
Net cash provided by (used in) investing activities	4,964
Net cash provided by (used in) financing activities	(12,717)
Unrealized gain (loss) foreign exchange rate	100
Currency translation differences	130
Net increase (decrease) in cash and cash equivalents	(21,297)
Cash and cash equivalents at beginning of periods	46,173
Cash and cash equivalents at end of periods	24,876

Net cash used in operating activities amounted to THB 13,774 million, mainly from net income from operations before taxes in the amount of THB 13,590 million that was partially adjusted by non-cash items, such as depreciation and amortization, income tax expenses and financial costs. This also includes changes in operating assets and liabilities, mainly from an increase in other account payables along with a rise in inventories, trade accounts receivables and trade accounts payables.

Net cash from investing activities was recorded in the amount of THB 4,964 million, mainly from matured short-term investments of THB 9,000 million offset by investments in land, buildings, and equipment investment for the expansion of service stations, food and beverage outlets, warehouses, and investment in LPG cylinders and related equipment of the company amounting to THB 2,901 million. OR also made investments in terms of affiliates and fund, primarily in Polar Bear Mission Co., Ltd (freshket) at THB 482 million, Kamu Kamu Co., Ltd (KAMU) at THB 464 million, Phnom Penh Aviation Fuel Service Co., Ltd at THB 169 million, Finnventure Private Equity Trust I at THB 150 million through ORZON THB 148 million, and additional investment in the Global Aero Associates Co., Ltd. of THB 45 million, along with dividend received from Thappline amounting THB 419 million.

Net cash used in financing activities of THB 12,717 million, mainly from loan repayment in the amount of THB 9,738 million and dividend payment.



Financial Ratios

	1H/21	1H/22
Profitability Ratios		
1. Gross profit margin (%)	8.1	6.4
2. Net profit margin (%)	3.0	2.7
	Dec 31, 21	Jun 30, 22
Liquidity Ratios		
3. Current ratio (times)	2.4	2.1
Profitability Ratios		
4. Return on equity (%)	16.6	14.2
Operating Efficiency Ratios		
5. Return on total assets (%)	6.5	6.8
Financial Policy Ratios		
6. Net Interest bearing debt to equity (times)	(0.2)	0.0
7. Debt service coverage ratio (times)	4.5	3.9

Financial Ratios' Calculations:

- Gross profit margin = Gross profit (loss) / Sales and service incomes x 100
- Net profit margin = Net Profit (loss) / Sales and service incomes x 100
- Current ratio = Current assets / Current liabilities
- Return on equity = Net Profit (loss) / Average equity x 100
- Return on total assets = Net Profit (loss) / Average total assets x 100
- Net Interest bearing debt to equity = Interest bearing debt* - (Cash and cash equivalents + Current investments) / Equity
- Debt service coverage ratio (times) = EBITDA + Cash and cash equivalents + Current investments / Proceeds from (repayment of) bank overdrafts and short-term loans + Repayment of long-term loans + Repayment of finance lease installments + Finance costs paid)

*Interest bearing debt = Bank overdraft & ST borrowings + Current portion of long-term borrowings + Long-term borrowings + Lease liabilities



Outlook 2022

Thailand's economic projected to recover continuously, supported mainly by the domestic demand expansion, the relaxation of control measures, the tourism recovery due to easing of international travel restrictions, and exports expansion following expansions of the world economy and trade volume. However, there are some constraints and risks which could limit economic growth, including 1) volatilities in the global economic and financial landscape amidst the heightened inflationary pressure and geopolitical conflicts, 2) uncertainty of the COVID-19 situation both current and new outbreaks, 3) trading partner economies weakens especially major economies such as China and the U.S.

The global economic is expected to slow down from the previous year after facing more risks from the prolonged Russia-Ukraine conflict war, rapidly tightening monetary policy by central banks and from China's Zero-COVID policy. The IMF revised expected growth for this year to 3.2% from 3.6% issued in April. The full-year inflation rate in developed countries is 6.6%, while in emerging markets and developing countries, inflation is high at 9.5%. Each country's economic activities are expected to continue for the rest of the year. **The U.S. economy in 2022** is expected to grow 2.3%, decelerating from high inflation that resulted in lower consumer confidence. Going forward, the Fed's interest rate hike is likely to continue to slow down demand, thus a higher chance of facing a recession in late 2023 and early 2024. **The Chinese economy in 2022**, IMF downgraded GDP growth to 3.3% due to dwindling domestic demand, caused by Zero-COVID policy. Meanwhile, disruption in the real estate sector due to liquidity problems will further discourage investment and business confidence. The business sector is also affected by prolonged supply chain disruption, and the real estate market is in a steep decline. Chinese banks may face THB 12.6 trillion losses from this real estate crisis.

The trend of crude oil price and petroleum products prices World oil demand in 2022, as reported by the IEA as of July 2022, projected that global oil demand would increase by 1.7 MMBD to 99.2 MMBD. IEA expects that world oil demand will increase by 2.1 MMBD in 2023 due to the growth of Non-OECD countries.

Crude oil prices in 3Q/22 tends to fall lower than those in 2Q/22 due to concern about the potential economic slowdown from inflation in many countries. The central banks in many countries, including the Federal Reserve Bank of the United States signal to increase interest rates. Moreover, China's ongoing Zero-COVID policy may negatively affect oil demand. In addition, the U.S. and Canada signaled the likelihood of increasing crude oil production, and OPEC+ plans to increase production during July - August 2022 from 0.43 MMBD to 0.65 MMBD. However, OPEC+ crude oil production is still lower than target. As a result, the supply of crude oil may be insufficient to meet demand. **The average crude oil price in 2022 is expected to be US\$102 per barrel.**

Petroleum products situation in 3Q/22 with their prices potentially declining more than crude oil prices. Gasoline demand is expected to be affected by recession concerns from the increase in retail prices in the past. The Energy Information Administration (EIA) estimates that gasoline demand during the driving season this year may be lower than expected, coupled with an increasing gasoline inventories in Singapore. However, gasoline demand may decrease due to tight supply as China announced a decline in export quota. Diesel demand is expected to decrease due to the economic recession and inflationary concerns, causing a slowdown in industry and tourism, including investment in infrastructures in many countries. Besides, concerns about lockdowns in China due to the possibility of surging infections. However, the rising of natural gas prices could support diesel demand due to the switching of heating fuel from natural gas to diesel. Aviation fuel demand is likely to be pressured by concerns about lockdown in China that could affect domestic flights and potentially increase. The international flights in the Asian regions remain significantly lower than pre-pandemic levels. In addition, air transport is projected to decline steadily because of inflationary concerns. Nevertheless, the number of seats on global domestic flights is likely to return closer to pre-pandemic levels.



Investment plan revision for 2022

The revision of OR investment plan for year 2022 from Baht 26,949 million to Baht 40,494 million, details are as follow:

Unit : Million Baht

Business Segment	2022	2022 Revised	Variance
Mobility	9,002	6,863	(2,139)
Lifestyle	6,876	22,116	15,240
Global	4,374	6,156	1,782
Innovation & New Business	3,768	3,280	(488)
Others	2,929	2,079	(850)
Total	26,949	40,494	13,545

The revision of the above 2022 investment plan was mainly from the adjustment of investment in the **Lifestyle and Global** businesses, where new investment opportunities are being considered. Currently, there are about 2-3 projects in the negotiation process, while some new investments have already been completed. For instance, an investment in KNEX corporation Co., Ltd., an operator of a self-service laundromat business under the brand "Otteri wash and dry", and an investment in Loka Holdings (Traveloka), a tourism and lifestyle platform, as we seek business opportunities to enter into the tourism business as well as new opportunities to serve all lifestyles. As for other investments, we still proceed as planned, but adjustments were made to align with current business situations. The main business direction still focuses on maintaining the leadership position in Thailand's oil ecosystem and expanding beyond the oil ecosystem into the energy solution ecosystem to meet consumers' need for green energy along with solutions for efficient use of energy i.e., EV Station Pluz network expansion and solar rooftop installations in combination with developing goods and services through new technologies.



Sustainability Management



OR always believes that the opportunity to grow towards success, the opportunity to grow towards better quality of life and the opportunity to grow together with an abundant environment are what "Everyone" deserves. Thus, OR is ready to create "Opportunity" for growth for every life to pass along to their loved ones in a sustainable way starting today and in the future.

OR operates our business under the established strategic vision of "**Empowering All Toward Inclusive Growth**". This strategy is crucial in driving OR towards developing into a sustainable

organization by placing emphasis on environmental, social and economic responsibilities to create value for all stakeholders in a balanced manner. OR set the following organizational strategic goals called **OR 2030 Goals** encompassing 3 dimensions, which are **social aspect (People)**, **environmental aspect (Planet)**, and **economic aspect (Performance)**. The details are as follows:

1) Living Community: Uplift more than 15,000 communities, or approximately 12 million lives, that will grow with OR

2) Healthy Environment: Reduce the environmental impact of our business operations by more than one-third, by reducing greenhouse gas emissions, reducing pollution, increasing energy efficiency, and increasing the use of clean energy. **OR aims to achieve Carbon Neutrality by 2030 and Net Zero Emissions by 2050**

3) Economic Prosperity: Contribute positively towards more than 1 million people who will grow together with OR.

In this spirit, OR adheres to the sustainability management policy by applying the Sufficiency Economy philosophy and the Sustainable Development Goals (SDGs) to integrate and apply as guidelines for good business practices. Furthermore, this also helps reduce environmental, social and economic risks (Environmental / Social / Governance & Economic or ESG) in business processes within OR and OR Group.

