



2022

Management Discussion & Analysis



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PTT Oil and Retail Business Public Company Limited

Executive Summary

Financial Highlights

Unit : Million baht	4Q/21	3Q/22	4Q/22	Variance		2021	2022	Variance YoY
				QoQ	YoY			
Total sales and services	157,839	194,795	206,268	5.9%	30.7%	511,799	789,785	54.3%
EBITDA	4,418	2,647	1,254	(52.6%)	(71.6%)	20,335	20,608	1.3%
Net Profit (Loss) for the periods*	2,354	701	(744)	<(100%)	<(100%)	11,474	10,370	(9.6%)
Earnings Per Share (Baht/share)	0.20	0.06	(0.06)	<(100%)	<(100%)	0.99	0.86	(13.1%)

* Net profit of OR (the parent company)

Performance 4Q/22

PTT Oil and Retail Business Public Company Limited and its subsidiaries ("OR") recorded **total sales and services** in the amount of THB 206,268 million, an increase of THB 11,473 million (+5.9%) from the last quarter, mainly due to the higher petroleum product sales volume and higher demand from the economic recovery and COVID-19 is designated as a disease under surveillance in Thailand, including the country's reopening. Although the average global oil prices declined from concerns over a global recession. Meanwhile, the petroleum supply was still tight due to sanctions on Russia and oil production cuts from OPEC+. All of the mentioned factors resulted in **an increase in sales revenue of the Mobility business and Lifestyle business** by 7.3% and 8.2%, respectively, for the **Global business**, revenue from sales and services declined by 12.1% mainly from the lower petroleum product sales volume of commercial customers in the Philippines.

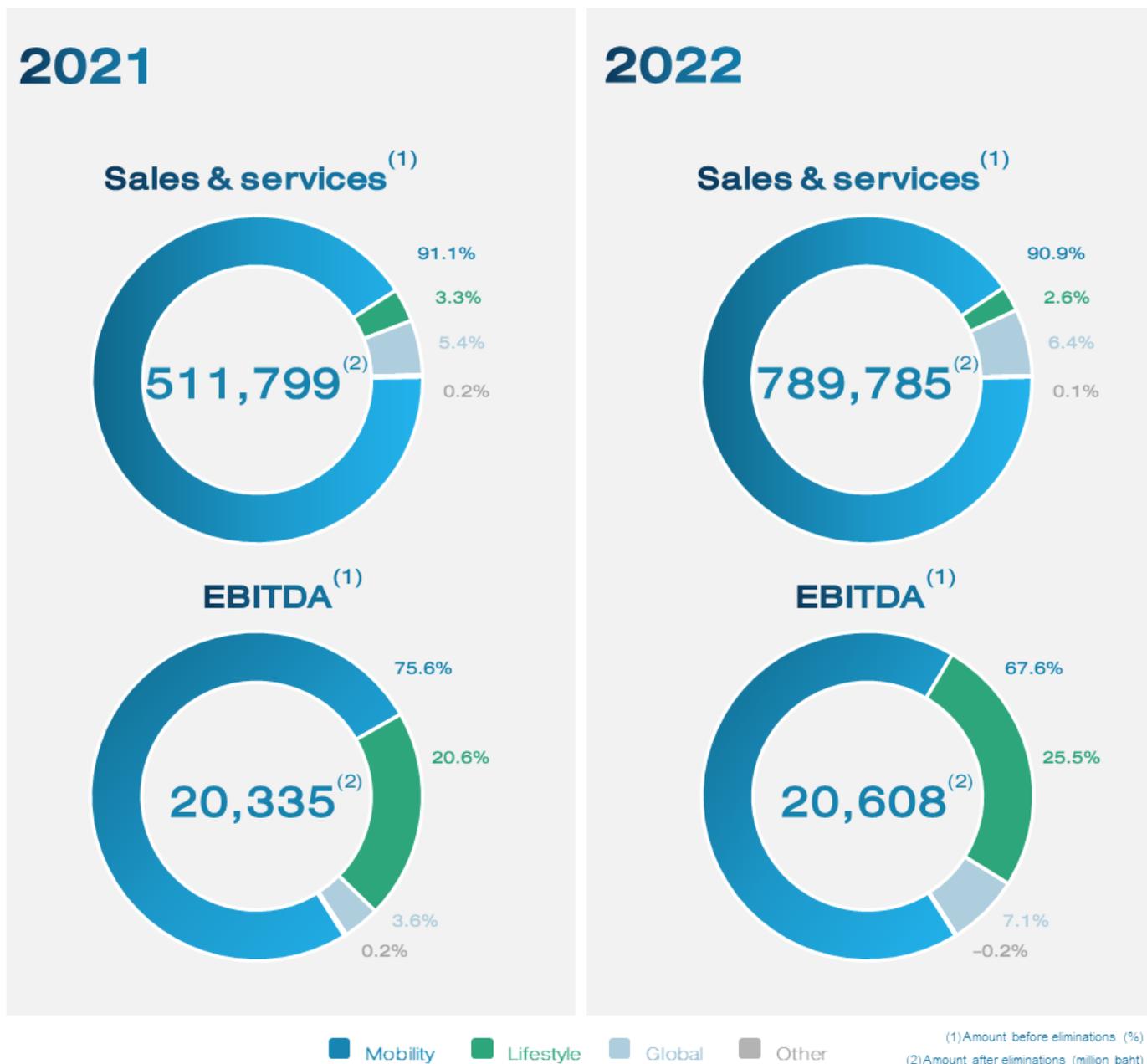
We recorded an **EBITDA** of THB 1,254 million in 4Q/22, a decrease of THB 1,393 million (-52.6%) compared to 3Q/22, decreasing in **the Mobility business** from a decrease in gross profit per liter mainly from a higher average cost of diesel in the commercial market and the retail market. **Global business** decreased in line with lower EBITDA in Cambodia. The EBITDA of our **Lifestyle business** slightly increased from F&B businesses. Aggregate net operating expenses increased from repair and maintenance, advertising, and promotional expenses. In addition, OR recorded the provision for impairment of investment in Myanmar. Therefore, this quarter OR recorded a net loss of THB 744 million.

Performance 2022 OR's sales and services and EBITDA increased in the amount of THB 277,986 million (+54.3%) and THB 273 million (+1.3%), respectively, as a result of economic recovery from improving the COVID-19 situation, thus there was higher sale volume in all business segments. However, in the second half of 2022, we had high product cost of our Mobility business. In 2022, net operating expenses increased by 16.8%, mainly from transportation expenses in line with the sales volume growth, public relation, and repair and maintenance expenses. The share of income increased mainly from investment in Thai Petroleum Pipeline Co., Ltd. (Thappline) and improving performance from new investments in the lifestyle business during 2021. In addition, OR recorded a higher loss from derivatives due to losses on a forward contract of foreign currencies while there was a gain on foreign exchange from the depreciation of THB. OR also recorded the provision for impairment of investment in Myanmar. Resulting in a net profit of THB 10,370 million a decrease of THB 1,104 million (-9.6%) compared to 2021, leading to earnings per share of 0.86 baht.



Our financial position as of December 31, 2022, recorded **total assets** of THB 225,504 million, an increase of THB 17,845 million from 2021, mainly from trade accounts receivable, other receivables, and inventories, which varied according to global oil prices surging. OR recorded **total liabilities** of THB 121,743 million, an increase of THB 13,956 million, mainly from account payables. **Shareholders' equity** registered at THB 103,761 million, an increase of THB 3,889 million primarily from net profit during the period and dividend payment.

On February 14, 2023, TRIS Rating Co., Ltd. (TRIS Rating) announced the credit rating of OR at "AA+" level with a credit rating outlook of "stable", reflecting OR's strong financial position and the confidence in being a leader in the oil and retail market in Thailand with outstanding competitiveness and opportunity growth in the future.



Performance Results: OR and subsidiaries

Unit : Million Baht	4Q/21	3Q/22	4Q/22	Variance		2021	2022	Variance
				QoQ	YOY			YoY
Total sales and services	157,839	194,795	206,268	5.9%	30.7%	511,799	789,785	54.3%
: Mobility	147,189	180,190	193,431	7.3%	31.4%	475,537	736,408	54.9%
: Lifestyle	5,058	5,295	5,727	8.2%	13.2%	16,965	21,082	24.3%
: Global	8,686	13,823	12,151	(12.1%)	39.9%	28,424	52,154	83.5%
: Other	246	265	271	2.3%	10.2%	984	1,061	7.8%
Gross Profit	9,270	7,453	6,727	(9.7%)	(27.4%)	36,241	39,181	8.1%
: Mobility	6,355	4,255	3,341	(21.5%)	(47.4%)	26,559	26,312	(0.9%)
: Lifestyle	2,771	2,876	3,116	8.3%	12.5%	9,258	11,504	24.3%
: Global	397	514	561	9.1%	41.3%	1,459	2,424	66.1%
: Other	4	4	4	0.0%	0.0%	16	17	6.3%
Other income	958	794	1,027	29.3%	7.2%	3,273	3,509	7.2%
Operating expenses	5,810	5,600	6,500	16.1%	11.9%	19,179	22,082	15.1%
EBITDA	4,418	2,647	1,254	(52.6%)	(71.6%)	20,335	20,608	1.3%
: Mobility	3,056	1,084	(193)	<(100%)	<(100%)	15,382	13,911	(9.6%)
: Lifestyle	1,197	1,210	1,226	1.3%	2.4%	4,190	5,238	25.0%
: Global	153	270	253	(6.3%)	65.4%	742	1,470	98.1%
: Other	18	6	(21)	<(100%)	<(100%)	32	(33)	<(100%)
Depreciation and amortization expenses	1,629	1,658	1,699	2.5%	4.3%	6,075	6,503	7.0%
Operating profit	2,789	989	(445)	<(100%)	<(100%)	14,260	14,105	(1.1%)
: Mobility	2,085	83	(1,223)	<(100%)	<(100%)	11,705	9,974	(14.8%)
: Lifestyle	707	717	730	1.8%	3.3%	2,419	3,321	37.3%
: Global	(15)	106	83	(21.7%)	>100%	115	824	>100%
: Other	18	6	(24)	<(100%)	<(100%)	32	(36)	<(100%)
Share of profit (loss) from investments in joint ventures and associates	139	102	128	25.5%	(7.9%)	372	490	31.7%
Gain (loss) on derivatives	(86)	(663)	(80)	87.9%	7.0%	(305)	(1,068)	<(100%)
Gain (loss) on exchange rate	142	595	(55)	<(100%)	<(100%)	771	1,112	44.2%
Others	69	29	(549)	<(100%)	<(100%)	341	(473)	<(100%)
EBIT	3,053	1,052	(1,001)	<(100%)	<(100%)	15,439	14,166	(8.2%)
Finance costs	307	277	353	27.4%	15.0%	1,250	1,155	(7.6%)
Tax expenses (income)	394	74	(611)	<(100%)	<(100%)	2,718	2,638	(2.9%)
Net Profit (Loss) for the periods*	2,354	701	(744)	<(100%)	<(100%)	11,474	10,370	(9.6%)
Earnings Per Share (Baht/share)	0.20	0.06	(0.06)	<(100%)	<(100%)	0.99	0.86	(13.1%)

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Performance by Business Segment



The Situation of Oil Prices

A report from the International Energy Agency (IEA) retrieved in January 2023 showed that **expected global oil demand in 2022** at 99.8 million barrels per day (MMBD), higher than an earlier forecast in October 2022 of around 0.2 MMBD, which resulted from demand recovery in Non-OECD countries from the relaxation of measures to control of the coronavirus. However, there are pressure factors from the concern over economic recession because of rising interest rates by central banks in many countries due to inflation.

Unit : USD/Barrel	4Q/21	3Q/22	4Q/22	Variance		2021	2022	Variance
				QoQ	YoY			YoY
Dubai	78.4	96.9	84.9	(12.4%)	8.3%	69.2	96.3	39.2%
Gasoline	93.8	110.1	94.3	(14.4%)	0.5%	80.3	115.2	43.5%
Gasoil/Diesel	89.8	132.1	124.2	(6.0%)	38.3%	76.0	130.6	71.8%
Kerosene	88.6	129.3	118.3	(8.5%)	33.5%	75.1	126.7	68.7%

Crude oil prices in 4Q/22. The average Dubai crude oil price was US\$84.9 per barrel, falling from 3Q/22 at US\$96.9 per barrel, but rising from 4Q/21 at US\$78.4 per barrel. It resulted from (1) concerns about an economic recession, the IMF revised their forecasts for the increasing risk of recession, especially in Europe, the USA, and China (2) China's domestic demand having remained under pressure due to their Zero-COVID policy together with the increasing of infected people in the country continues (3) central bank interest rate hikes in many countries, led by the United States Federal Reserve. The USA interest rate was increased to 4.25 – 4.50% in December 2022 as inflation in the USA continued to increase compared to the previous year and the inflation rate is still above the target level. (4) The cold snap situation in the USA and Canada affects travel demand during the year-end holidays. However, supporting factors to oil prices came from the announcement of OPEC+ which plans to cut crude oil production between November 2022 and December 2023 by 2 MMBD. Moreover, China announced the relaxation of the Zero-COVID Policy at the end of the year along with there are more relaxation measures for traveling both domestic and international of the country.



Dubai crude oil prices situation in 2022. The average Dubai crude oil price was US\$96.3 per barrel, higher than in 2021 at US\$69.2 per barrel as a continuous recovery in demand, especially in Asian countries. Moreover, it was mainly caused by the conflict situation between Russia and Ukraine affecting concerns about the crude oil supply in the global market because Russia is a major exporter of crude oil in the world. Europe has imposed sanctions on Russian crude oil imports since December 2022, and the G7 has announced a price cap on Russian crude oil to reduce revenue from oil exports. However, this situation also put pressure on crude oil prices due to rising energy prices which led to inflation problems in many countries, especially the USA and Europe. This caused an increase in the interest rate by the central bank to alleviate inflation problems which pressured oil demand. In addition, China continued to maintain Zero-COVID Policy during 2022. Also, travel control measures and lockdowns in many cities affected domestic demand in China.

Petroleum products prices in 4Q/22. **Gasoline price** averaged at US\$94.3 per barrel, which fell from 3Q/22 at US\$110.1 per barrel. The average gasoline price fell in line with the Dubai price. The results came from China increased gasoline exports towards the end of the year. As a result, the gasoline supply in Asia has increased which corresponded to the high level of commercial gasoline in Singapore. In addition, gasoline demand during this period was still pressured by travel control measures in China. However, gasoline demand in other countries in Asia has improved, especially in India along with refineries turnaround in India and South Korea, which are the main refined products exporter in Asia. This caused a slowdown in the gasoline supply in Asia. **Diesel price** in 4Q/22 averaged at US\$124.2 per barrel, which fell from 3Q/22 at US\$132.1 per barrel, which was lower than Dubai price significantly. The pressure factor came from concerns about economic recession and inflation that affect diesel demand. In addition, there was a slowdown in economic activities in OECD countries. Moreover, China increased exports of diesel as a higher export quota in late 3Q/22. This resulted in a higher diesel supply from China, which hit a 20-month high. On the other hand, diesel price was supported by the strike by refinery workers in France, which raised concerns over diesel supply in Europe. The Non-OECD countries have improved economic activities, and India's diesel demand continuously improved. Moreover, gas-to-oil switching supported diesel demand during the winter season. **Jet/Kerosene price** in 4Q/22 averaged at US\$118.3 per barrel, which fell from 3Q/22 at US\$129.3 per barrel, which dropped lower than the Dubai price. This resulted in a decrease in the air cargo sector demand due to economic concerns from inflation situations, especially in European countries. The aviation demand in China was pressured by both domestic and international travel control measures. However, jet fuel demand has been supported by the continued recovery of flights in many countries as an increase in the country's opening together with the holiday season supporting travel for tourism. The winter in Japan encouraged kerosene demand as heating fuel.

Petroleum products prices in 2022, Singapore refined products prices have increased more than Dubai crude oil prices compared to the previous year. **Gasoline price** averaged at US\$115.2 per barrel, improved from 2021 at US\$80.3 per barrel. This was from the relaxation of travel control measures in many regions, causing an increase in gasoline demand. Moreover, gasoline supply remained tight in Asia due to lower export quotas from China during the 1st - 3rd quarter of this year. **Diesel price** in 2022 averaged at US\$130.6 per barrel, which improved from the previous year at US\$76.0 per barrel. This came from continuous economic recovery and concern over the Russian refined products sanction. This situation affected the global diesel supply, which is in line with the low level of diesel inventories in many regions. **Jet/Kerosene price** averaged at US\$126.7 per barrel rose from US\$75.1 per barrel in 2021. It was caused by the continuous opening of many countries as a relaxation of travel measures, affecting the number of international flights to increase steadily. Domestic flights in the USA have increased near pre-coronavirus levels. In addition, the jet fuel supply was pressured by refiners increasing diesel production to replace jet fuel, which support kerosene price.



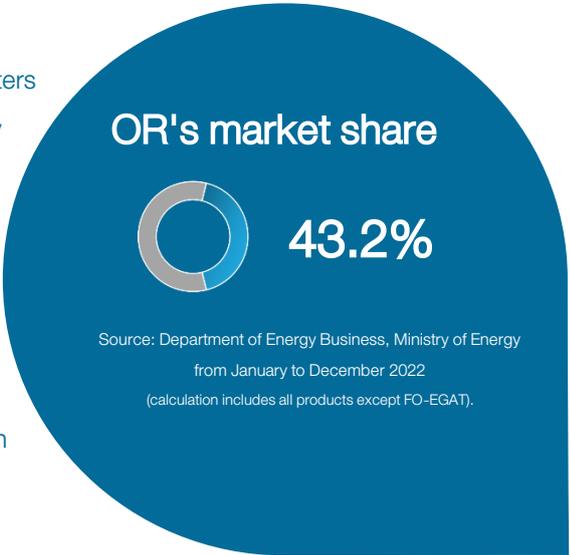
Fuel consumption in Thailand 2022, the Department of Energy Business reported that Thailand's daily consumption averaged 151.2 liters per day, which rose by 13.5% compared to last year. Jet fuel rose by 91.6%, followed by diesel by 15.7%, LPG by 5.9%, and fuel oil by 19.2%. and gasoline 3.9%. While kerosene decreased by 15.9%. As a result of foreign travelers' interest in visiting Thailand, overall oil consumption has increased. Furthermore, Thais were increasingly traveling across provinces, especially at the end of the year for New Year celebrations.

Diesel consumption averaged 73.1 million liters per day, rising from the same period last year 15.7% due to the government's policy of maintaining the retail price of diesel at 35 baht per liter, reducing the excise tax rate and subsidy for diesel prices by the oil fuel fund to mitigate the high living cost that is affected by global energy price fluctuations. For high-speed diesel fuel B7, the major consumption increased to 63.9 million liters per day and standard diesel fuel consumption increased to 6.7 million liters per day. While high-speed diesel consumption decreased by 2.3 million liters per day and B20 diesel fuel consumption averaged 0.2 million liters per day.

Gasoline consumption averaged 30.2 million liters per day, which increased by 3.9% from the same period last year. Gasohol 91, 95, and E85 consumption increased to 7.0 million liters per day, 16.3 million liters per day, and 0.8 million liters per day, respectively. While Gasohol, E20, and gasoline consumption dropped to 5.5 million liters per day and 0.5 million liters per day, respectively.

Commercial aviation fuel consumption (Jet A-1) averaged 9.0 million liters per day, increasing from the same period last year (+91.6%) because many tourists came to celebrate the New Year, especially in December.

Liquefied petroleum gas (LPG) consumption averaged 17.5 million kg per day increased by 5.9% from the same period last year. The transport sector increased to 2.2 million kg per day (+25.7%), the petrochemical sector increased to 7.5 million kg per day (+3.9%), and the industrial sector rose to 2.0 million kg per day. (+8.6%) and the household sector increased to 5.7 million kg per day (+1.6%).



Performance of Mobility Business Segment

Description	4Q/21	3Q/22	4Q/22	Variance		2021	2022	Variance
				QoQ	YOY			YoY
Number of Station								
PTT Station*	2,083	2,111	2,161	50	78	2,083	2,161	78
EV Station PluZ**	54	123	131	8	77	54	131	77
LPG station***	232	234	233	(1)	1	232	233	1
Volume Sold (MML)								
Retail	3,257	3,138	3,283	4.6%	0.8%	11,777	13,133	11.5%
Commercial	3,219	3,146	3,696	17.5%	14.8%	11,368	13,713	20.6%
Total Volume Sold	6,476	6,284	6,979	11.1%	7.8%	23,145	26,846	16.0%
Volume Sold by Product (%)								
LPG	14.0%	14.6%	13.6%	-	-	14.9%	13.6%	-
Aviation fuel	5.5%	8.4%	10.6%	-	-	5.1%	8.6%	-
Diesel	47.6%	44.3%	45.4%	-	-	47.0%	45.8%	-
Fuel oil	7.4%	8.1%	7.5%	-	-	6.8%	8.3%	-
Gasoline	23.5%	22.7%	21.1%	-	-	23.7%	21.6%	-
Lubricant	0.7%	0.6%	0.5%	-	-	0.8%	0.6%	-
Others	1.3%	1.3%	1.3%	-	-	1.7%	1.5%	-
Total Volume Sold by Product	100.0%	100.0%	100.0%	-	-	100.0%	100.0%	-
Gross Profit: Baht/Litre	0.98	0.68	0.48	-	-	1.15	0.98	-
Mobility EBITDA Margin (%)	2.1%	0.6%	(0.1%)	-	-	3.2%	1.9%	-

*Includes ptt station in Thailand and Myanmar **Station in operation inside and outside service station

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

Performance 4Q/22 vs. 3Q/22

- Revenue from sales and services increased by THB 13,241 million (+7.3%),** mainly from an increase in sales volume by 695 mml (+11.1%). For the **commercial market**, sales volume increased by 550 mml (+17.5%) mainly from diesel due to the gas-to-oil switching of power plants and higher supply sales volume after the COVID-19 situation improved. Also, there was an increase in aviation fuel due to the high season causing more traveling and the country reopening. On the **retail market** side, sales volume rose by 145 mml (+4.6%) from diesel and gasoline due to the high season and the New Year festival. In 4Q/22, OR expanded 50 new PTT Stations.
- Gross Profit decreased by THB 914 million (-21.5%),** mainly from higher average cost of goods sold, since the main domestic refinery shutdown, OR had to import diesel to cope with higher demand during the end of the year. As a result, gross profit per liter decreased by 0.20 baht. For the **retail market**, the average gross profit per liter for diesel decreased, while gasoline increased. For the **commercial market**, the average gross profit per liter decreased in aviation fuel from the effect of the M-1 selling price structure, where the reference price during 4Q/22 decreased gradually comparing with the sharp decrease in the previous quarter. The average gross profit per liter of diesel also dropped, but the sales volume increased, resulted in higher gross profit.



- **EBITDA dropped by THB 1,277 million <(-100%)**, from lower gross profit and higher net operating expenses, mainly from annual repair and maintenance, outsourcing, and terminal service expenses. As a result, the EBITDA margin was recorded at -0.1%, lower than the last quarter of 0.6%.

Performance 4Q/22 vs. 4Q/21

- **Revenue from sales and services rose by THB 46,242 million (+31.4%)** due to an increase in average selling prices following an uptrend of global oil prices and the sales volume in all products rose by 503 mml (+7.8%) owing to the economic recovery. For the **commercial market**, sales volume increased by 477 mml (+14.8%) mainly from aviation fuel due to an increase in air travel after the COVID-19 situation was resolved. Fuel oil increased from bunker sales, and diesel rose from power plant sales. On the **retail market** side, sales volume rose by 26 mml (+0.8%) mainly from diesel due to a delay in retail price adjustment and higher sales volume from commercial vehicles that recovered as economic growth. Gasoline dropped comparing to 4Q/21 when the gasoline's selling price was lower than that of other brands in the market causing higher sales volume than normal situation.
- **Gross profit decreased by THB 3,014 million (-47.4%)** from a reduction in overall average gross profit per liter by 0.50 baht following the higher cost from the import of diesel during the main domestic refinery shutdown even the sales volume rose. The decrease was primarily from the **retail market**, both gasoline and diesel had a lower average gross profit per liter. While the **commercial market** gross profit was similar to 4Q/21, fuel oil and gasoline had lower average gross profit per liter, while diesel rose slightly. The aviation fuel average's gross profit per liter also reduced, but with higher sales volume, causing the overall gross profit increased.
- **EBITDA dropped by THB 3,249 million <(-100%)** from lower gross profit, while higher net operating expenses were mainly from annual repair and maintenance, advertising, and utility expenses. EBITDA margin was at 0.1% in 4Q/22, dropped from 2.1% in 4Q/21.

Performance 2022 vs. 2021

- **Revenue from sales and services rose by THB 260,871 million (+54.9%)**, mainly from the higher average selling prices as global oil prices surged and from the overall increase in sales volume by 3,701 mml (+16.0%) due to the reopening of the country leading to the recovery of tourism and related service sectors. Mainly from the **commercial market**, sales volume increased by 2,345 mml (+20.6%) from aviation fuel due to increased air travel. Furthermore, fuel oil and diesel increased from power plants due to a surge in natural gas prices including the expansion of bunker sales overseas. On the **retail market** side, sales volume rose by 1,356 mml (+11.5%) mainly from diesel owing to the delay in retail price adjustments at the PTT Stations to help alleviate the burden on the Thai people. Gasoline rose from higher passenger car demand after the COVID-19 situation was resolved. In addition, there were 78 new PTT Stations in 2022.
- **Gross profit reduced by THB 247 million (-0.9%)** from a softer average gross profit per liter that decreased by 0.17 baht. For **the retail market**, the average gross profit per liter dropped from gasoline and diesel as a result of higher average costs from partially import during the refinery shutdown in 4Q/22. Gross profit for the **commercial market** increased mainly from diesel. Fuel oil rose from bunker sales. For aviation fuel, gross profit per liter dropped from the effect of the M-1 selling price structure, however, the recovery of sales volume caused higher gross profit.
- **EBITDA decreased by THB 1,471 million (-9.6%)** from lower gross profit, while the net operating expenses increased from the transportation and PTT Station repair and maintenance expenses. As a result, the EBITDA margin was recorded at 1.9% in 2022, a drop from 3.2% in 2021.



As of 31 December 2022, OR had installed **"EV Station PlusZ"** in 302 locations or 361 chargers, including 230 locations with 251chargers inside the service station (open for service 110 locations, 123 chargers) and 72 locations with 110 chargers outside the service station (open for service 21 locations, 44 chargers). OR is primed to become a provider and advocate that encourages the adoption of electric vehicles in consumers' daily life while also developing a full version of the EV business to **become a leader in the EV Ecosystem**. Electric motorcycles are considered another business development goal of OR, as motorcycles are easy to switch from fossil fuel to electric power. Recently, **OR has joined hands with Sleek EV Company Limited**, a Thai-Singaporean electric motorcycle dealer of the SLEEK EV brand, to study business opportunities in the electric motorcycle field and other related businesses to promote the use of clean energy among motorcycles, as well as opportunities to shape an ecosystem that is friendly to the adoption, to meet both social and environmental needs.

In addition, **Fit Auto** cooperates with Carsome Academy (Thailand) Co., Ltd. or **CARSOME Academy** to create knowledge and expertise for personnel to be ready to provide automotive services and always be well-versed in new technologies. It also aims to elevate personnel to become professionals in the automotive industry. This can alleviate the problem of manpower shortage from branch expansion in the future as well. As of 31 December 2022, Fit Auto has 85 outlets.





Expansion of Lifestyle Business

Description	4Q/21	3Q/22	4Q/22	Variance		2021	2022	Variance
				QoQ	YoY			YoY
Number of outlets								
Cafe Amazon *	3,628	3,786	3,895	109	267	3,628	3,895	267
Texas Chicken	96	100	107	7	11	96	107	11
Convenience Store**	2,075	2,095	2,147	52	72	2,075	2,147	72
Cafe Amazon total cups sold* (Million cups)	87	93	90	(3.2%)	3.4%	298	357	19.8%

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

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

In 4Q/22, the Lifestyle business has a combined network of **4,126 F&B business outlets**, comprising 3,875 Cafe Amazon outlets in Thailand—classified as 2,147 outlets located in PTT Stations and 1,728 outlets outside of PTT Stations, or 55.4% and 44.6%, respectively—along with 20 Cafe Amazon outlets overseas, 107 Texas Chicken outlets, 124 outlets of other F&B comprising Pearly Tea and Pacamara Coffee Roasters and for **Other business** we recorded 2,147 convenience stores under the 7-Eleven and Jiffy brands in Thailand.

Cafe Amazon, under the F&B business in 4Q/22, recorded 90 million cups sold in this quarter, a decrease of 3 million cups (-3.2%) compared to 3Q/22, because of extra cups sold in the last quarter due to the promotional activities. For the year 2022, there were 357 million cups sold, an increase of 59 million cups sold (+19.8%) compared to 2021 mainly from network expansion and improving the COVID-19 situation.

Performance of Lifestyle Business Segment

Description	4Q/21	3Q/22	4Q/22	Variance		2021	2022	Variance
				QoQ	YOY			YoY
Sales and Services (Million Baht)								
Food & Beverage	3,397	3,517	3,839	9.2%	13.0%	11,181	13,993	25.1%
Other Business	1,661	1,778	1,888	6.2%	13.7%	5,784	7,089	22.6%
Total sales and services	5,058	5,295	5,727	8.2%	13.2%	16,965	21,082	24.3%
Lifestyle EBITDA Margin (%)	23.7%	22.9%	21.4%	-	-	24.7%	24.8%	-



Performance 4Q/22 vs. 3Q/22

- **Revenue from sales and services increased by THB 432 million (+8.2%)** compared to 3Q/22. Revenue from sales of **F&B business** increased by THB 322 million (+9.2%) from the increased selling price of Cafe Amazon. The revenue from sales of **Other business** increased by THB 110 million (+6.2%), mainly from higher average sales per day per store of convenience store.
- **Gross profit increased by THB 240 million (+8.3%)**, a change in line with sales and services for F&B business and other business.
- **EBITDA increased by THB 16 million (+1.3%)**, a change in line with gross profit. However, there was also an increase in advertising, public relations, and outsourcing expenses. EBITDA for the **F&B business** increased by THB 24 million (+3.1%) and the **Other business** decreased by THB 8 million (-1.9%), resulting in a decrease in EBITDA margin from 22.9% last quarter to 21.4% this quarter.

Performance 4Q/22 vs. 4Q/21

- **Revenue from sales and services increased by THB 669 million (+13.2%)** due to the improving COVID-19 situation in Thailand. As a result, revenue from sales of the **F&B business** increased by THB 442 million (+13.0%), mainly due to an increase in sales volume from the F&B business outlet expansion. Revenue from sales of **Other business** increased by THB 227 million (+13.7%) mainly from network expansion and higher average sales per day per store of convenience stores.
- **Gross profit increased by THB 345 million (+12.5%)**, a movement in line with the increase in revenue from sales and services from both the **F&B business** and the **Other business**.
- **EBITDA increased by THB 29 million (+2.4%)** from higher gross profit. However, there was an increase in public relations expenses. Thus, the EBITDA of the **F&B business** increased by THB 18 million (+2.3%) and the **Other business** increased by THB 11 million (+2.7%). The EBITDA margin in this quarter decreased from 23.7% in 4Q/21 to 21.4% in 4Q/22.

Performance 2022 vs. 2021

- **Revenue from sales and services increased by THB 4,117 million (+24.3%)** from the improvement of the COVID-19 situation in Thailand. As a result, revenue from sales of **F&B business** increased by THB 2,812 million (+25.1%), mainly due to an increase in sales volume from F&B business outlet expansion. In addition, in 2021, the Lifestyle business provided help to Cafe Amazon franchisees by reducing royalty and marketing fees. Revenue from sales of **Other business** increased by THB 1,305 million (+22.6%), mainly from higher average sales per day per store of convenience store.
- **Gross profit increased by THB 2,246 million (+24.3%)**, a movement in line with the increase in revenue from sales and services from both the **F&B business** and the **Other business**.
- **EBITDA increased by THB 1,048 million (+25.0%)** from higher gross profit. However, there is also an increase in expenses from outlet expansion and corporate public relations expenses. Thus, the EBITDA of the **F&B business** increased by THB 671 million (+24.2%), and the **Other business** increased by THB 377 million (+26.7%). The EBITDA margin in 2022 was recorded at 24.8% increased from 24.7% in 2021.





Overview of Global Business

Cambodia, The International Monetary Fund (IMF) projected the economy to grow at 6.2% in 2023, from the eased COVID-19 pandemic. The growth has been driven by three major sectors of manufacturing, services, and agriculture, along with the recovery of domestic consumption following increasing employment rate, and government spending for the 2023 election. In addition, Cambodia will allow the private sector to invest 100% in the new high-speed railway linking Phnom Penh capital of Cambodia to Ho Chi Minh City in Vietnam. **Laos**, IMF expected growth by 3.1% in 2023, with supporting factors from 1) the opening of the China-Laos railway which will benefit exported businesses to China 2) electricity sales, and 3) increasing revenue policies from new businesses such as mining concessions. However, there are some challenges that lie ahead such as a weak labor workforce, high public debt level, low levels of foreign reserves, and continuous weakening of the Kip resulting in continual higher costs of imported goods. **Myanmar** has experienced a continuous economic slowdown from 2021 until 2022, resulting from the kyat declining against the US dollar, soaring food, and fuel prices, heavy pressure on domestic demand due to declining incomes, higher unemployment, and a shortage of US dollars and other foreign currencies. Investors in many countries have paused or decided to withdraw their investment from Myanmar due to the unstable economy. **The Philippines** has been one of the most dynamic economies in the Asia-Pacific region. The IMF projected the economy to grow at 5.0% in 2023, supported by the strength of the manufacturing sector, stability of the banking system, and a new record-low unemployment rate. The government plans to invest at least 5.0-6.0% of GDP in infrastructure. However, high inflation and rising interest rates will drag on domestic demands.



Performance of Global Business Segment

Description	4Q/21	3Q/22	4Q/22	Variance		2021	2022	Variance
				QoQ	YoY			YoY
Number of PTT Station	356	373	390	17	34	356	390	34
Oil Volume Sold (MML)								
Philippines	189	210	176	(16.2%)	(6.9%)	697	779	11.8%
Cambodia	100	110	124	12.7%	24.0%	363	461	27.0%
Laos	55	55	63	14.5%	14.5%	230	257	11.7%
Total Volume Sold	344	375	363	(3.2%)	5.5%	1,290	1,497	16.0%
Cafe Amazon*								
Cafe Amazon Outlets	303	334	358	24	55	303	358	55
Cafe Amazon total cups sold (Million cups)	4.6	6.3	6.4	1.6%	39.1%	16.5	23.9	44.8%
Global EBITDA Margin (%)	1.8%	2.0%	2.1%	-	-	2.6%	2.8%	-

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

Performance 4Q/22 vs. 3Q/22

- **Revenue from sales and services decreased by THB 1,672 million (-12.1%)** from all countries except Laos, mainly due to the drop in global oil prices, **the Philippines** had lower sales volume, mainly for diesel from not attaining the bid from a particular customer account. Nonetheless, aviation fuel increased from higher demand due to the economic recovery after the COVID-19 endemic. Moreover, there was extra aviation volume sold from winning the bid of some airlines. For **Laos**, sales volume increased across all products from improving the COVID-19 situation to boost business activity resulting in higher demand. **Cambodia** experienced increased sales volume for diesel and gasoline from the recovering economy after the COVID-19 situation. There was also an increase in cups sold for Cafe Amazon.
- **Gross Profit increased by THB 47 million (+9.1%)** mainly from **Lao's** average gross profit per liter increased, especially in diesel and gasoline from more frequent adjustments of selling prices at service stations that was more reflective of global oil prices. **The Philippines** registered a slightly lower average gross profit per liter from high average product cost, as selling prices had to be reduced in line with falling global oil prices. **Cambodia's** gross profit slightly declined from the lower average gross profit per liter from bearing higher product costs.
- **EBITDA decreased by THB 17 million (-6.3%)** mainly from **Cambodia** with lower gross profit and also an increase in operating expenses mainly from product promotional and public relations expenses, EBITDA margin for the quarter was 2.1%, close to 2.0% from the previous quarter.



Performance 4Q/22 vs. 4Q/21

- **Revenue from sales and services increased by THB 3,465 million (+39.9%),** increasing in **all three countries** from an increase in selling prices that increased in line with global oil prices, and also overall sales volume increased in all countries except the Philippines. **Cambodia** experienced increased sales volume in gasoline and diesel as a result of the recovery in economic activities. **The Philippines** decreased in diesel due to not winning a bid from industrial customers and also a limit from new regulations resulting in a drop in sales volume from B2B customers. In addition, there was a higher aviation volume sold from the increase in international flights. **Laos** saw a slight increase in diesel and gasoline sales volume. For Cafe Amazon, the volume of cups sold was improved in all countries as the recovery of economic activities.
- **Gross Profit increased by THB 164 million (+41.3%),** mainly from Laos gross profit increased from an adjustment in selling prices that reflected higher costs in line with global oil prices. **Cambodia** improved in average gross profit and higher sales volume for diesel, including a higher average gross profit per liter for aviation fuel. **The Philippines**, with a decrease in petroleum products used for ground transportation such as gasoline and diesel, experienced weaker average gross profit per liter due to cost increases. However, aviation fuel improved in average gross profit per liter
- **EBITDA increased by THB 100 million (+65.4%),** mainly from **Cambodia** and **Laos** due to higher gross profit. Although net operating expenses increased due to increased economic activity, **the Philippines** registered declined EBITDA margin for the quarter up to 2.1% from 1.8% in the same quarter last year.

Performance 2022 vs. 2021

- **Revenue from sales and services increased by THB 23,730 million (+83.5%),** an increase in all three countries because of rising global oil prices coupled with increased overall sales volume in all countries. With economic growth recovering from the relaxation of the COVID-19 situation compared to 2021 when there were lockdowns and restrictions on traveling, **Cambodia** saw higher sales volumes across all products, especially gasoline, and diesel. **The Philippines**, sales volume is mainly from aviation fuel due to increased international flights, although sales volume from diesel decreased due to the decrease in sales revenue from the bidding compared to the same period of the previous year. **Laos** increased due to the increase in sales volume of all products. In addition, the economic recovery also resulted in an increase in the cups sold of Cafe Amazon over the same period last year, especially in Cambodia and Laos.
- **Gross profit increased THB 965 million (+66.1%) in all three countries:** **Cambodia**, besides higher sales volume, also experienced an overall increase in gross profit in almost all products **The Philippines** increased from average gross profit per liter of gasoline and diesel; **Laos** increased from average gross profit per liter from service station as selling prices were adjusted to be more reflective of the cost of global oil prices.
- **EBITDA increased by THB 728 million (+98.1%),** mainly from **Laos** and **Cambodia**, due to higher average gross profit per liter, but also increased expenses which are in line with increased economic activities. **The Philippines** also increased from being able to improve profits and slightly lower operating expenses. Overall, in 2022 EBITDA margin was 2.8%, similar to the same period last year.



OR INNOVATION

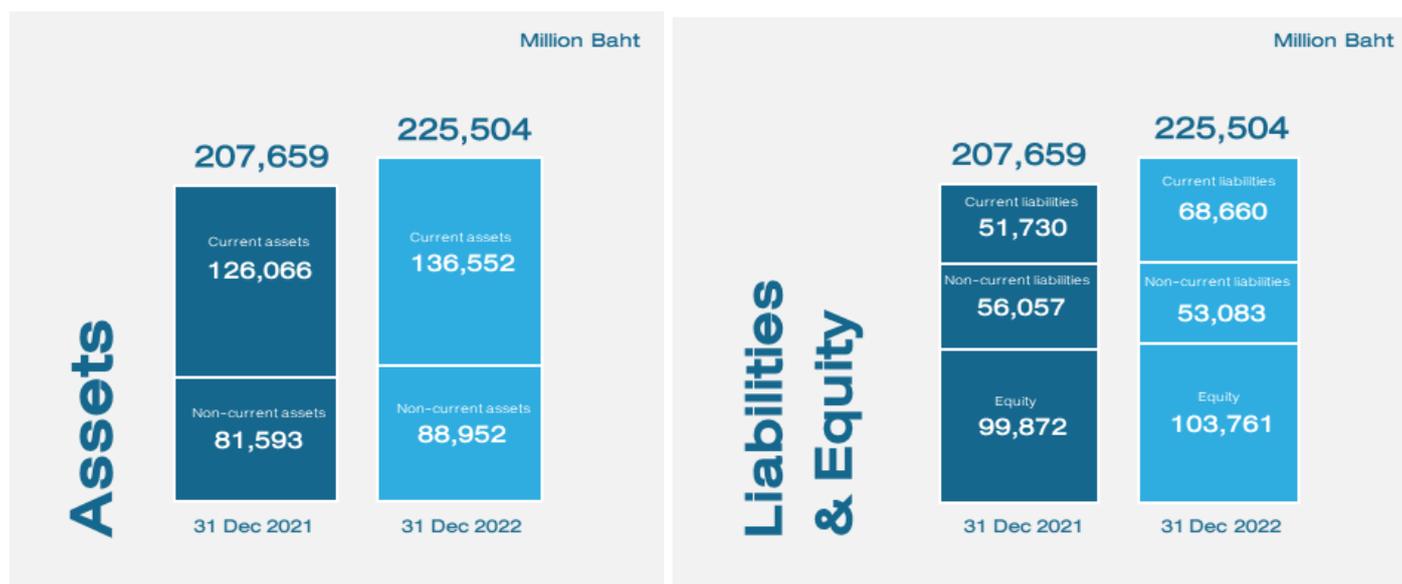


Focusing on the importance of technology and innovation, the Startup for Chance project was organized to seek for innovation and create new ideas to solve social, community, and environmental problems with the inspiration from OR's business. OR invited **social innovation startups** across the country to participate in the project, which started in September and ended in December. Projects that qualified and received funding for a prototype project (Sandbox) are the invention of the Amazon Cup Sleeve made from corn husks and coffee pulp, the creation of high-quality soil conditioners from organic waste and coffee grounds, and the invention of an application for planning electric charging points for electric vehicle users (EV).

Startup For Chance is another essential activity to promote startups to obtain the opportunity to grow together with OR's business, which is in line with OR's vision; "Empowering All toward Inclusive Growth". Also, it creates opportunities for startups to participate in generating ideas that lead to the quality of society and concrete business expansion, as well as being able to become a social business (SE), which is **in line with OR Innovation's mission, to search for innovation in the OR's way**.



Financial Position



Assets As of December 31, 2022, OR Group recorded total assets in the amount of THB 225,504 million, an increase of THB 17,845 million (+8.6%) from December 31, 2021, and can be categorized as follows:

Current assets increased by THB 10,486 million (+8.3%), mainly from:

- Trade accounts receivable and other accounts receivable increased by THB 34,500 million (>100.0%), from other accounts receivable by THB 26,653 million (>100.0%), mainly from accrued oil fund compensation. Also, trade receivable increased by THB 7,847 million (+38.8%) due to an increase in global oil prices.
- Inventories, materials and supplies increased by THB 2,844 million (+11.5%) due to the higher average cost of petroleum products from the rise in global oil prices, mainly from aviation fuel, gasoline, and diesel, while inventory stock decreased by around 78 million liters (-8.9%)
- Current investments decreased by THB 18,500 million (-92.3%) from matured short-term investments
- Cash and cash equivalents decreased by THB 8,263 million (-17.9%), mainly from the payment of long-term borrowing and usage in operating activities

Non-current assets increased by THB 7,359 million (+9.0%), mainly from:

- Investment increased by THB 6,951 million (+70.9%), mainly from
 - Investments in non-current financial assets at THB 4,155 million, such as investments in Traveloka and ORZON
 - Investments in joint ventures at THB 1,707 million, such as investment in K-NEX Corporation Co., Ltd (KNEX), Dusit Foods Co., Ltd (DF), GLOBAL AERO ASSOCIATES Co., Ltd (GAA), and Phnom Penh Aviation Fuel Service Co., Ltd (PPAFS)
 - Investments in associates THB 1,088 million such as Polar Bear Mission Co., Ltd (freshket) and KAMU KAMU Co., Ltd (KAMU)
- Property, plant, and equipment increased by THB 1,700 million (+4.0%), mainly from the expansion of service stations, food and beverage outlets, warehouses, and investment in LPG cylinders and related equipment
- Right-of-use assets and intangible assets decreased by THB 910 million (-6.0%) due to depreciation and amortization. Deferred tax assets also decreased by THB 730 million (-9.0%).



Liabilities As of December 31, 2022, OR Group recorded total liabilities in the amount of THB 121,743 million, an increase of THB 13,956 million (+12.9%) from December 31, 2021, from the following:

Current liabilities increased by THB 16,930 million (+32.7%), mainly from:

- Bank overdraft & short-term borrowings increased by THB 4,597 million (>100.0%)
- Trade accounts payables and other accounts payables increased by THB 12,394 million (+28.2%) from higher petroleum prices, where main creditors were refineries in the PTT group, which was offset by the payment to other accounts payables

Non-current liabilities decreased by THB 2,974 million (-5.3%), mainly from:

- Long-term borrowings decreased by THB 5,013 million (-17.0%) from loan repayment which was offset by the increased borrowings
- Deferred tax liabilities increased by THB 1,699 million (>100.0%) from accrued oil fund compensation and excise tax.

Equity As of December 31, 2022, OR Group recorded total equity in the amount of THB 103,761 million, an increase of THB 3,889 million (+3.9%) from December 31, 2021, primarily from net profit during the period, which was offset by dividend payment in the total amount of THB 6,480 million (2H/21; THB 2,280 million or THB 0.19 per share and 1H/22; THB 4,200 million or THB 0.35 per share).

Cash Flow Statement ended Dec 31, 2022

	Million Baht
Net cash provided (used in) by operating activities	(4,200)
Net cash provided by (used in) investing activities	5,753
Net cash provided by (used in) financing activities	(9,853)
Unrealized gain (loss) foreign exchange rate	112
Currency translation differences	(75)
Net increase (decrease) in cash and cash equivalents	(8,263)
Cash and cash equivalents at beginning of periods	46,173
Cash and cash equivalents at end of periods	37,910

Net cash used in operating activities amounted to THB 4,200 million, mainly from net income from operations before taxes in the amount of THB 13,011 million there were 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 5,753 million, mainly from matured short-term investments of THB 18,500 million offsets 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 6,110 million. OR also made investments in non-current financial assets at THB 3,892 million and investments in associates and joint ventures at THB 3,071 million. In addition, OR also received a dividend from Thapline in the amount of THB 419 million.

Net cash used in financing activities of THB 9,853 million, mainly from loan repayment in the amount of THB 13,872 million and dividend payment in the amount of THB 6,464 million which were offset by the proceeding short-term and long-term borrowings in the total amount of THB 13,433 million.



Financial Ratios

	2021	2022
Profitability Ratios		
1. Gross profit margin (%)	7.1	5.0
2. Net profit margin (%)	2.2	1.3
	Dec 31, 2021	Dec 31, 2022
Liquidity Ratios		
3. Current ratio (times)	2.4	2.0
Profitability Ratios		
4. Return on equity (%)	16.6	10.2
Operating Efficiency Ratios		
5. Return on total assets (%)	6.5	4.8
Financial Policy Ratios		
6. Net Interest bearing debt to equity (times)	(0.2)	0.0
7. Debt service coverage ratio (times)	4.5	4.1

Financial Ratios' Calculations:

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

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



The trend of crude oil prices and petroleum products prices. World oil demand in 2023, as reported by the IEA as of January 2023, projected that global oil demand in 2023 at 101.7 MMBD, increase from 2022 by 1.9 MMBD. This forecast is the highest oil demand ever. More than half of the increase is attributed to China, which has announced the easing of its Zero-COVID policy and some of the demand growth comes from non-OECD countries.

The trend of crude oil prices. Crude oil prices tend to have an average lower than in 2022 due to concerns about the potential economic slowdown, especially in the USA and European countries. This is resulting from an inflationary situation, leading to the central bank to increase interest rates to alleviate the situation. In addition, industrial activities in Europe tend to be weakening. Global oil supply in 2030 is likely to increase from OPEC+ and the USA which continue to increase production. However, crude oil prices are supported by the USA and Europe continuing to impose sanctions on Russian crude oil imports, as well as the G7 setting a price cap on Russian crude oil trading. This has the potential to affect the supply of crude oil in the market. Moreover, China's border reopening will significantly support oil demand in 2023. **The average crude oil price in 2023 is expected to be US\$80-87 per barrel.**

Petroleum products' situation in 2023 is in line with the crude oil price trend. Gasoline expects to be affected by recession concerns, especially in the USA and Europe. Gasoline supply in Asia is expected to increase from China, which announced the latest round of export quota increases for 2023, which is in line with a high level of Singapore's commercial gasoline inventory. Diesel demand tends to be pressured by concerns about the economic recession in many countries as interest rates hike by the central banks. In addition, diesel exports from China tend to increase as well as gasoline exports due to increased export quota. However, diesel prices may be supported by European sanctions on Russian refined imports in February. In addition, commercial diesel inventory in many regions remains at a low level. Jet fuel/kerosene, demand for air cargo is expected to continue to be affected by the economic slowdown. Nevertheless, jet fuel demand in the travel sector is supported by China's borders reopening, which lead to an increase in both domestic and international travel.



Sustainability Management



As OR set the organizational strategic goals called **OR 2030 Goals** encompassing 3 dimensions, which are the social aspect (People), environmental aspect (Planet), and economic aspect (Performance). To achieve these goals, OR has undertaken many projects.

In terms of elevating the quality of life and creating livable communities (Living Community), OR has supported the **preservation and revitalization of Kong Pu Ja**, a traditional drumming of Lampang Province. By working with government agencies, OR has created a youth camp, aiming to pass on

knowledge and conserve the tradition of beating the Kong Pu Ja. In 2022, 130 youths from 13 districts in Lampang participated in the project. Moreover, OR has also helped cold sufferers in the northern and northeastern regions, a total of 7 provinces, by donating 22,000 pieces of winter clothing (blankets) through the **OR project against the cold**. OR also **creates educational opportunities** for young people with outstanding performance but lack of funds by giving 409 scholarships.

In the aspect of creating a green environment (Healthy Environment), OR has operated through various projects such as **Yaek Laek Yim** project that encourage waste separation at service stations and then sell those wastes in order to bring the benefits back to the community through school and sports equipment, medical equipment, and public toilets. In 2022, those wastes generated more than THB 1.64 million in the community. There is also a project called **Yaek Laek Yim School Camp**, promoting waste separation in school and learning about carbon credits. There are 17 participating schools across the country.

Regarding to fostering and distributing wealth to stakeholders (Economic Prosperity), OR has generated income for more than 137 underprivileged people through **Cafe Amazon for Chance**, with a total of 63 outlets at the end of 2022. On top of that, OR signed an MOU with the Ministry of Social Development and Human Security to select people who get fewer opportunities to work in Cafe Amazon for Chance. Besides, **Pan Suk Area & Pan Suk Market** project helps farmers and communities to be able to sell produce in the service station area free of charge. Also, the oversupply of agricultural products was brought and utilized as a giveaway for customers who refuel according to the conditions. This project generated more than THB 15.6 million for the community in 2022.

